



Annual Report and Financial Statements For the Year ended 31 March 2026

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ABOUT US

Abbeyfield Living Society

Established in 1956, Abbeyfield Living Society is a not-for-profit organisation providing housing, care and support services to older people across England.

Rooted in the values of care, compassion and community, we create welcoming environments that help people stay connected in later life. Our wide range of services - including sheltered housing, care homes and independent living options - allows us to deliver person-centred services tailored to our residents' individual needs.

We are committed to helping our residents maintain a sense of independence and choice within safe, warm and stimulating communities where they can build relationships, stay active and live life to the fullest.

As a not-for-profit company, we reinvest all surpluses back into enhancing our services and the lives of our residents.

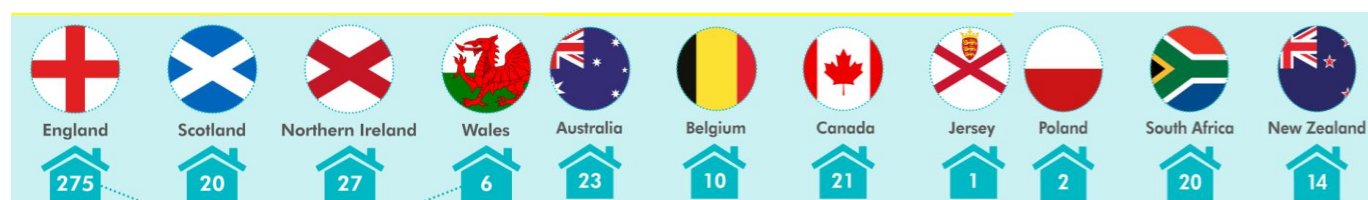
The Abbeyfield Family

The Abbeyfield Family is a membership organisation that encompasses a network of independently governed member societies operating under the Abbeyfield brand. Each member society is managed by its own Board of Trustees and shares a common goal to support older people through housing, residential care and nursing services. Abbeyfield homes offer supportive environments for residents with a strong emphasis on community and independence.

Whilst being the owner of the Abbeyfield brand within England and some overseas territories, Abbeyfield Living Society is also the largest independent member society and continues to provide some support to the wider Abbeyfield Family

Today, the Abbeyfield network includes hundreds of homes across the United Kingdom, Australia, Belgium, Canada, Jersey, South Africa, Poland and New Zealand, delivering care, compassion and community to thousands of older people around the world.

The Abbeyfield Society World Council (TASWC) oversees the Family, with Abbeyfield England (AE) acting as an umbrella organisation for all English members including Abbeyfield Living Society.



Our Charitable Objects

Our charitable objects are contained in our Memorandum and Articles of Association. These are:

- The relief and care of elderly persons of all classes, beliefs and nationalities suffering from the disabilities of old age or otherwise in need.
- The spreading of Christian principles to all human relationships and the application of humanitarian aims to promote the relief of the elderly.
- The provision of further education in the sphere of voluntary work, social work and similar activities so as to inculcate the principles of good citizenship.
- The provision and management of housing, accommodation or assistance, including providing and maintaining or assisting in, providing and maintaining houses and homes for the relief and care of elderly persons suffering from the disabilities of old age or otherwise being in need.
- Such other purposes recognised by English law as charitable as the Society shall determine from time to time.

ABOUT US (continued)

Our Services

Our service offerings include the provision of:

- Independent living
- Sheltered housing
- Residential care homes
- Dementia friendly care homes
- Extra Care services
- Nursing home provision

Depending on individual levels of independence and care requirements, our homes are designed to meet a wide range of residents' needs. These range from homes ideal for active, self-reliant individuals to specialist settings that provide tailored support for residents living with dementia.

We offer a variety of financial options in Housing, including low-cost rental, low-cost home ownership, market rent and leasehold. We strive to ensure our homes are accessible and adaptable, taking into account both the current and future needs of the people we support.

Our Vision, Mission & Values

Our 2025-2030 Corporate Strategy launched a refreshed vision, mission and set of values - providing a clear, purposeful foundation for our future.

Our **vision** reflects a broader, community-focused ambition, rooted in the charitable legacy of our founder, Richard Carr-Gomm:

Our Vision

A world where everyone thrives in later life within a caring compassionate community.

Our **mission** builds on our belief in the importance of home - creating safe, warm and welcoming spaces where connection and community can thrive:

Our Mission

To provide great homes and inclusive communities where you can enjoy outstanding levels of service and support in later life provided by committed people.

To support this, we introduced a new set of **values** - the principles that guide our actions, decision making and help shape our culture and behaviours.

Our Values

- **Care** - we care for the people we support, for each other and for our communities.
- **Compassion** - we treat everyone with kindness, empathy, and respect, honouring their dignity, independence, and individuality.
- **Community** - we foster a sense of belonging, inclusion, and mutual support, creating environments where older people feel safe, connected, and empowered.
- **Integrity** - we are honest, transparent, and accountable in all our actions, doing what's right, even when it's not the easy option.
- **Excellence** - we are committed to being a high performing organisation, delivering exceptional services that add value, exceed expectations, and make a real difference.

Together, these define who we are and how we'll deliver meaningful, lasting impact. They underpin our strategic goals and ensure that people and communities remain at the heart of everything we do.

OUR BOARD, COMMITTEES AND EXECUTIVE TEAM

Board of Trustees	Mike Turner (Chair) George Ashworth Marc Marrero Roger Lees Sara Beamand David Carr Martin Cox (resigned 3 rd September 2026) Terri Pettifer-Eagles Christine Asbury (appointed 1 st March 2026) Sally Nicholls (appointed 1 st March 2026)	
Committees of the Board	Audit and Risk Committee David Carr (Chair) Marc Marrero Dena Patel (resigned 20 th August 2025)	Customer Committee Sara Beamand (Chair) Martin Cox Terri Pettifer- Eagles
	Finance and Investment Committee Roger Lees (Chair) George Ashworth Martin Cox	People Committee Terri Pettifer-Eagles (Chair) Mike Turner Sara Beamand
Executive Team	Paul Tennant OBE - Chief Executive Officer Gail Manley - Director of Corporate Services Jonathan Sweet - Director of Strategic Delivery and Company Secretary (resigned 30 th May 2025) Julie Freear – Director of Customer Operations (resigned 30 th June 2026) Tom Nisbet – Director of Finance and IT	

OUR PATRONS AND ADVISORS

Royal Patron	His Majesty the King, King Charles III	
Patrons	. Dame Judi Dench DBE Aled Jones The Duchess of Northumberland Michael Staff MBE Professor Alan Walker DLitt FRSA The Carr-Gomm family (David Carr-Gomm, Adam Carr-Gomm, Harriet Carr-Gomm, Elizabeth Parker and Anna Newton)	
Advisors	External Auditors Azets Audit Services Fleet House New Road Lancaster, LA1 1EZ Internal Auditors Forvis Mazars 30 Old Bailey, London, EC4M 7AU Bankers Barclays Bank Plc 1 Churchill Place London E14 5HP	Solicitors Anthony Collins LLP 134 Edmund Street Birmingham B3 2ES
Legal Status	Registers Registered company limited by guarantee with the Registrar of Companies, No 574816 Registered with the Regulator of Social Housing, No H1046 Registered with the Charity Commission, No. 200719 Registered with the Care Quality Commission, No.1-102642859	Registered Office 17-19 Hampton Lane Solihull, B91 2QJ Telephone: 01727 857536 Fax: 01727 846168 Email: post@abbeyfield.com

REPORT OF OUR CHAIR



The past year has been one of progress, learning and resilience, and a particularly significant one as we celebrate Abbeyfield's 70th anniversary.

Like many organisations across the housing and care sectors, Abbeyfield Living Society (ALS) has continued to operate in a challenging environment, with rising costs, workforce pressures and wider economic uncertainty creating significant challenges. Despite these conditions, we have continued to strengthen the organisation, improve our services and invest in the people, homes and systems that support our long-term success.

Our 70th anniversary has provided an opportunity to reflect on seven decades supporting our residents, creating thriving communities and making a meaningful difference to people's lives. It is also a moment to look forward with confidence, building on our proud heritage as we continue to evolve to meet the needs of current and future generations.

While there is still more to do, we have made meaningful progress during the year. We improved our financial performance compared with previous years, strengthened financial controls, invested in technology and infrastructure, enhanced resident engagement and continued to build a more resident-focused organisation. These achievements provide a stronger platform for sustainable growth and position ALS well for the next chapter of its journey.

Our anniversary celebrations have highlighted the strength of the communities that sit at the heart of Abbeyfield. Across the country, our homes have been building new local connections and creating opportunities for volunteering, fundraising and partnership working that enrich the lives of residents and raise awareness of the important role Abbeyfield plays in local communities. This focus on community engagement is not only a celebration of our past, but an investment in the relationships that will help us continue supporting residents for the next 70 years and beyond.

We continued to strengthen our focus on residents through the introduction of a dedicated Customer Service Team and enhanced opportunities for resident engagement and influence. We also invested in our colleagues through improvements to learning, recruitment, performance management and wellbeing support. Together, these initiatives are helping to build a strong, engaged workforce capable of delivering exceptional services and experiences for residents.

The year also marked the successful delivery of our 2025/26 Improvement Programme. Significant investments in technology, systems and infrastructure have improved efficiency, strengthened compliance and enhanced the experience of both residents and colleagues. From the implementation of Safety Culture and Dayforce Wallet to telephony transformation, Alertacall upgrades and cloud-based reporting systems, these projects are helping to modernise ALS and prepare us for the future.

Across our homes and communities, we have continued to invest in property improvements, fire safety, digital infrastructure and sustainability. We exceeded our Recycled Capital Grant Fund utilisation target, progressed the resolution of long-standing legacy property issues and achieved further improvements in environmental performance, with the vast majority of our properties now rated EPC C or above.

We have also strengthened quality assurance and our approach to complaints and feedback. By embedding stronger audit processes, enhancing oversight and encouraging a culture of learning from resident feedback, we are creating a more accountable, responsive and continuously improving organisation.

Looking ahead, our priorities remain clear: achieving financial sustainability, maintaining high-quality services, strengthening our culture and capabilities, investing in our infrastructure and enhancing the homes and communities we provide. While challenges remain, I am confident that ALS is well positioned to build on the progress of the past year and continue delivering positive outcomes for residents across the country. On behalf of the Board, I would like to thank our residents, their families, our colleagues, volunteers, partners and supporters. Your commitment, trust and contribution are at the heart of everything we achieve, and I look forward to working together as we continue the next chapter of the Abbeyfield story.

CEO STATEMENT



As Abbeyfield Living Society (ALS) celebrates its 70th anniversary, this year has provided an opportunity not only to reflect on our 70-year history, but also to celebrate the lasting impact we continue to have on the lives of older people every day. For seven decades, Abbeyfield has provided welcoming homes, companionship and support, helping people live independently with dignity, security and a sense of belonging.

Our anniversary has been a celebration of the difference Abbeyfield makes to residents, their families and the communities around us. It has highlighted countless

stories, relationships and moments that demonstrate the value of our work and the strength of the communities we create. As we look to the future, our ambition remains unchanged: to continue evolving and delivering services that improve lives for generations to come.

The campaign has also reinforced the importance of community. Across the country, our homes have strengthened local connections, raising awareness of Abbeyfield's role and creating new opportunities for partnership working, volunteering and fundraising. We have seen increased support from local organisations, businesses and community groups, helping us create vibrant, connected places where older people can thrive.

Residents at the Heart of Our Work

While our anniversary allows us to celebrate our legacy, it also reminds us why Abbeyfield exists. Residents remain at the heart of everything we do, and our ambition is to ensure every person who lives with us feels safe, valued, connected and supported to live life their way.

This year, we strengthened our focus on customer experience through the introduction of a dedicated Customer Service Team, creating a single point of contact for residents and prospective residents. We have also strengthened the ways residents can influence the services they receive. Through Open House events, our National Resident Panel, the Resident Hub and our 'You Said, We Will' approach, residents are playing an increasingly important role in shaping decisions across the organisation.

We have continued to invest in creating vibrant and connected communities. Through local events, activities, volunteering opportunities, digital engagement and partnerships with community organisations, we are helping residents remain active, connected and engaged. These moments often embody the true spirit of Abbeyfield and demonstrate the importance of community in later life.

Listening to residents, learning from feedback and acting on what we hear will continue to guide our priorities as we strive to deliver the highest standards of service and support.

Every visit I make to our homes reminds me that Abbeyfield is about people, not buildings. Whether it is residents forming new friendships, taking part in activities, supporting one another or simply having the reassurance of help when they need it, these everyday moments are what make Abbeyfield special. They are also a powerful reminder of why our mission remains as important today as it was 70 years ago.

Championing the Voice of Older People

As we celebrate 70 years of supporting older people, we remain committed to ensuring their voices are heard in the conversations that shape housing, care and support services. Older people have invaluable perspectives and experiences, and it is essential that policy-makers, communities and organisations understand both the opportunities and challenges they face.

Through our active involvement with organisations including the National Housing Federation, National Care Forum, Care England and the Older Person's Housing Group, we continue to champion the needs and aspirations of older people and represent the views of our residents in key sector discussions. We want to help

CEO STATEMENT (continued)

shape policies and services that enable people to live independently, safely and with dignity for as long as possible.

As part of the National Housing Federation's *Starts at Home* campaign, we welcomed MPs and other stakeholders into our homes to see first-hand the impact that supported housing and care services have on individuals and communities. These visits provide valuable opportunities to share residents' experiences, demonstrate the importance of specialist housing and care, and highlight the difference that investment in these services can make.

We will continue to use our experience, influence and voice to advocate for older people and ensure their needs remain firmly on the national agenda.

Looking Ahead

Celebrating 70 years is an important milestone, but it is also a moment to look forward. The needs and expectations of older people continue to evolve, and it is our responsibility to evolve with them. The progress we have made this year in strengthening services, modernising infrastructure, investing in our people and listening to residents gives me confidence that ALS is well positioned for the future.

As we move into 2026/27, our priorities remain clear: delivering financially sustainable services, continuously improving quality, investing in our homes and ensuring residents remain at the heart of every decision we make. We will also continue to strengthen our presence within local communities, creating opportunities for partnership working, volunteering and social connection that enrich the lives of residents and extend our impact.

I would like to thank every colleague, volunteer, resident, family member, partner and supporter who has contributed to our success over the past year. Our 70th anniversary is a celebration of everything that has been achieved together over seven decades. More importantly, it is a reminder that our success is measured not by the number of years we have existed, but by the lives we have touched along the way. I am excited about what lies ahead as we continue building on that legacy, creating thriving communities and making a positive difference for generations to come.

REPORT OF OUR BOARD (INCORPORATING STRATEGIC REPORT)

The Board presents its report, which incorporates the Strategic Report as set out in company law, including the audited financial statements for the year ended 31 March 2026. Our aim is to strive to improve the quality of older peoples' lives by reducing the incidence of loneliness in later life. This means creating a caring and compassionate Abbeyfield community which provides warmth, support and wellbeing for all our residents. We believe that everyone, irrespective of their age, has a unique and invaluable contribution to make to the lives of others. By helping to create and grow communities which encourage people to remain happily together, we will deliver on that mission.

Our principal activities during the year were:

- The provision and development of accommodation, care and support services for older people.

We offer four housing and or care options namely:

- **Independent Living:** designed for active, self-reliant individuals. It allows our residents to live completely self-sufficient with communal hubs to socialise and connect with their neighbours.
- **Sheltered Housing:** sometimes known as assisted or supported living, offers the benefits of independent living whilst remaining a part of a friendly and sociable shared home.
- **Residential Care Homes:** Our residential care homes are designed for those with personal care needs or requiring one-to-one support from a qualified carer. Our residents live with the security of on-site staff who are present 24 hours a day to provide care and support.
- **Dementia Friendly Care Homes:** Our dementia friendly care homes have been designed to help support residents living with dementia or other forms of memory loss. These homes offer the same high quality support one will find in our care homes with extra tailored support for those living with dementia.

The number of bed spaces within homes and associated assets owned and managed directly by ALS and, owned but managed on behalf of the association are:

	As At March 2026	As At March 2025
Owned and managed directly		
Affordable Rent	125	114
Housing for older people (Rental)	566	496
Housing for older people (Shared Ownership)	20	5
Care Homes (Residential, nursing and dementia):		
Social Housing	244	244
Non-Social Housing	246	247
Market Rent	60	66
Leasehold	85	97
Total directly managed	1,346	1,269
Owned but managed by others		
Housing for older people (Rental)	0	75
Housing for older people (Shared ownership)	0	15
Housing for older people (Leasehold)	0	14
Commercial	19	19
Restaurants	3	3
Total managed on our behalf	22	126
Total owned	1,368	1,395

During the year the number of units owned and managed directly increased by a net 77 beds. The movements in the year include the reintegration of 104 properties previously managed by Abbeyfield The Dales.

REPORT OF OUR BOARD (continued)

There was a reduction of 12 leasehold bedspaces as a result of our leasehold buyback initiative aimed towards stabilising the older persons re-sale market which had significantly threatened the long-term viability of a single scheme. Our intervention has brought much needed affordable housing to the area with occupancy levels increased to market norms.

2025-2030 Corporate Strategy

Our strategy is aimed towards 'sustainable growth'. As a provider of high-quality homes and services including housing, care and support to later living residents and communities. We will achieve this by:

- Continuing to improve our performance
- Investing in existing and new homes
- Broadening our service offer to residents and the communities we serve
- Developing our brand and fundraising offer
- Attracting volunteers back to the ALS
- Seeking to build effective strategic partnerships

Our Strategic Priorities are aimed at addressing the changing needs of our residents and regulators, targeting the resources and infrastructure required to deliver our plans between 2025-2030. Our key strategic deliverables will be measured and reported under the following headings:

Great Services

We aim to expand our reach as a provider of high-quality services to residents, communities and stakeholders that make a difference to people's lives. By investing in our homes and encouraging and responding to customer feedback we will ensure warm and welcoming places and spaces where we enrich the lives of all who live and engage with us.

Financial Resilience and a Sustainable Future

The strength of our finances is critical to the delivery of our plan and our ability to continue to provide high quality homes and services for our customers and to grow our provision in the future. A strong financial position is demonstrated through a good mix of revenue streams and well controlled expenditure and a strong balance sheet and cashflows which will enable us to meet our future liabilities, underpinning our strategy.

An Employer of Choice

We rely on our colleagues to provide high quality services to our customers every day and deliver our mission. We aim to be an employer of choice, with a diverse, highly skilled and engaged workforce who live our values, support our ambitions and are passionate about customer service.

Provide more Homes

We are entering a period of planned sustainable growth, with the aim of providing a portfolio of good quality homes to meet future customer demand and increase revenue. This will allow us to invest in existing and future homes, broaden our services within homes and communities and reach more older people.

Commitment to the Environment

We are committed to minimising our environmental impact and embedding sustainability into every aspect of our operations. Through energy efficient homes, sustainable practices and responsible procurement, we will support the transition to a low carbon future. We actively invest in retrofitting properties, promoting digital ways of working, and engaging residents and staff in sustainable living. Our approach is guided by a structured Environmental

REPORT OF OUR BOARD (continued)

Management System, environmental targets, and a commitment to achieving Net Zero by 2050, ensuring our services remain resilient, responsible and future-focused.

Progress against the first year Strategic Priorities

Working towards the delivery of our 'sustainable growth' strategy, progress against the year one Strategic Priorities has been strong.

Great Services

- Customer Service Team launched to streamline resident engagement and support.
- Resident feedback strengthened through "You Said, We Will" initiatives.
- Created the Resident Hub on the website
- Improved meeting outcomes with residents and provided activity packs
- Increased Resident engagement aimed at shaping services, participation in recruitment and contributing towards the National Resident Panel.
- Delivered Open House events and expanded digital engagement, improving communication and accessibility.
- Repairs & maintenance services streamlined across two main contractors.
- Delivered phase two of our inhouse Safety Culture programme, resulting in improvements to food safety and quality service checks.
- Delivered 14 Health and safety audits, bringing a consistent approach to monitoring across housing and care.
- Strengthened our complaints & feedback process whilst delivering outcomes from lessons learned.
- Enhanced our Quality Assurance recording and reporting across housing and care creating a baseline for continuous improvement.

Financial Resilience and a Sustainable Future

- Reduced the operating deficit to the lowest in seven years, demonstrating strong year on year improvements in margins.
- Reduced overhead costs as a percentage of turnover to 16.3% and broadly in line with our 15%-16% target.
- Created a stronger financial position heading into next year.
- Delivered a strong internal audit programme.
- Utilised £1.5m of Recycled Capital Grant delivering key projects.
- Created significant strategic partnerships with key suppliers
- Rolled out a modern telephony system, replacing outdated and expensive copper line solutions with full fibre.
- Automated nurse call reporting via a cloud based platform, saving time and improving accuracy.
- Upgraded the Customer Relationship Module, making resident data easier to access and manage.
- Strengthened the IT Infrastructure through enhancements to cyber security, rolling out Windows 11 upgrades, implementing cellular fire/lift connections and digital archiving improvements.
- Disposed of one legacy site and carried out defect works at another. Legacy sites are now mostly resolved.
- Carried out a Board Effectiveness Review
- Appointed four new Trustees

REPORT OF OUR BOARD (continued)

An Employer of Choice

- Launched a Learning Management System aimed at improving compliance reporting and team visibility.
- Introduced a pay on demand service to our valued workforce which has improved staff recruitment and retention.
- Further enhanced the processes for recruitment, induction and appraisal, including a Care Workforce Pathway support.
- Launched our 70th Anniversary celebrations across all services delivering numerous activities whilst creating opportunities for all staff members to engage with our residents.
- Carried out a full staff survey; results will be utilised to identify ways to further improve employee satisfaction.
- Through our Public Affairs & Public Relations work, we have generated 128 media mentions, OTS reach of 116m, created strong Member of Parliament engagement in the Starts at Home campaign and continued advocacy for our sector.

Provide more Homes

- Commenced a buy-back programme resulting in thirteen owner occupier leasehold flats being repurposed under an Affordable Rent Tenure.
- Identified opportunities for growth across both housing and care provision, we continue to work with relevant stakeholders to bring forward more provision and funding.

Commitment to the Environment

- Created a five-year Sustainability Strategy
- EPC C reported at 92% on commercial and 97% domestic properties,
- Implemented improvements to the waste contract
- Delivered environmental awareness across the business.

Our Corporate Objectives 2026/27

The Society enters 2026-27 in a stronger financial position and well placed to build upon the extensive work carried out during 2025-26. Against the backdrop of good progress, we continue to face continued pressures through inflation, regulatory compliance expectations, increased demand for services which can't be delivered through other agencies and healthcare operators and a continued need to invest in existing resident homes and services. Growing political unrest both domestically and internationally is likely to place additional strain on residents and employees.

Having analysed our operating environment and a number of pressing challenges faced by the Society, we remain confident that our Corporate Strategy continues to be aligned to the needs of residents. We therefore continue to work towards the delivery of the strategic objectives set out in year two of our 2025-2030 Corporate Strategy focusing on:

- Stabilising the Society and positioning ourselves for the future
- Delivering great service to our residents and expanding community reach
- Delivery against a programme of improvements associated with processes, structures, planning, intelligence, infrastructure and business focus
- Investing in new and existing homes
- Developing our people and culture
- Contributing towards a sustainable environment

The delivery of these priorities is supported by a Board approved budget and a longer-term financial plan.

OPERATING AND FINANCIAL REVIEW

The operating environment remains challenging as we continue to navigate a volatile economy and uncertain political environment. Our financial results at the end of March 2026 represent a progressive and evolving organisation as operating deficits reduced to a seven year low. The Board and the Executive remain positive about the organisation's future.

At the end of the financial year, turnover increased by 7.9% compared to the prior year whilst operating costs were 5.3% lower. There was no impairment charge in the year (2025: nil). The 2025-26 year resulted in an operating deficit of £2.5m (2025: £8.8m). The Group reported an underlying net surplus of £1.9m (2025: £2.6m surplus) which was largely influenced by disposal of obsolete housing assets.

Turnover

Income from Housing, Care and support services increased by a net £3.5m to £47.8m (2025: £44.3m) as gross Care fees and Housing rental income increased by £4.0m. Local authority discounting eroded gross revenue growth after increasing by £0.38m with further erosion felt through increased void losses of £0.37m. Other income including donations and legacies increased by £0.3m.

The overall growth in turnover was largely influenced by inflation linked uplifts within the housing portfolio and a combination of inflation and national minimum wage increases within the Care portfolio. The Society brought back into management a number of units previously managed by a third party managing agent which had a direct impact on revenue growth by c.£2m.

Operating Costs

Total operating costs were £50.3m (2025: £53.1m). This represented a £2.8m (5.3%) decrease on the prior year as the net impact of savings made through cost restructuring largely absorbed increases in business as usual operating expenditure.

Business as usual activities experienced increases in National Insurance costs pushing up the direct cost of employment by £0.7m to £27.9m with labour market challenges increasing agency labour spend by £0.12m.

Total expenditure in the year on property repairs and maintenance increased by £0.4m to £5.1m (2025: £4.7m), utility costs were up £0.2m to £2.7m (2025: £2.5m) and food costs also increasing by £0.2m to £2.1m (2025: £1.9m). Other operating costs reduced by £1.2m.

Contained within the overall increase was operating expenditure of c.£2m relating to the properties brought back into direct management on the 1 April 2025 from a third party managing agent.

Operating deficit and Net surplus

The operating deficit influenced by the above activities was £2.5m for the year (2025: £8.8m).

A net surplus for the year is reported at £1.9m (2025: £2.5m) as interest receivable increased from £0.75m to £0.88m resulting from optimising cash deposits and surpluses generated from the disposal of obsolete housing stock. Interest payable costs increased to £0.31m from £0.28m.

OPERATING AND FINANCIAL REVIEW (continued)

Summaries of the financial performance and statement of financial position, for the last five years, are set out below.

5-Year Overview of Income and Expenditure

For the year ended 31 March	2026	2025	2024	2023	2022
	£'000	£'000	£'000	£'000	£'000
Turnover	47,809	44,312	50,702	50,612	47,088
Operating Costs	(50,297)	(53,088)	(61,854)	(55,960)	(53,022)
Impairment	-	-	(7,087)	(1,951)	(10,869)
Operating Deficit	(2,488)	(8,776)	(18,239)	(7,299)	(16,803)
Other net contributions or (costs)	4,386	11,347	2,137	(134)	1,682
Net Surplus/(Deficit)	1,898	2,571	(16,102)	(7,433)	(15,121)

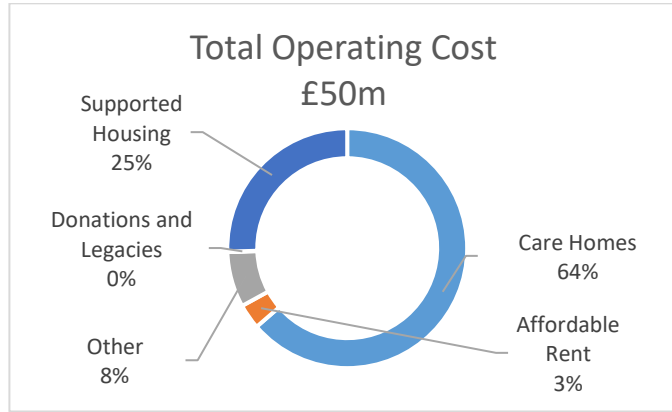
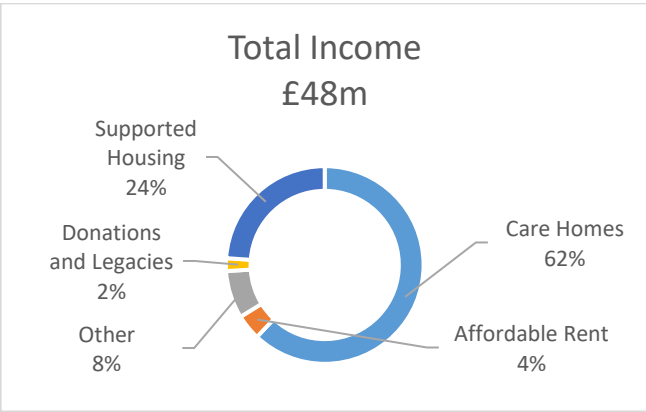
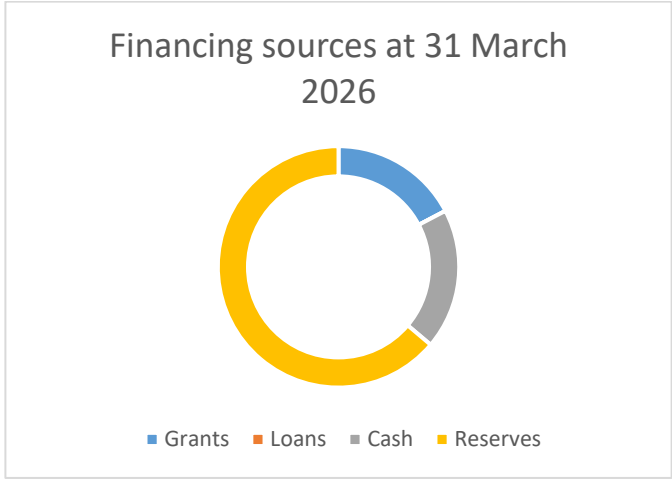
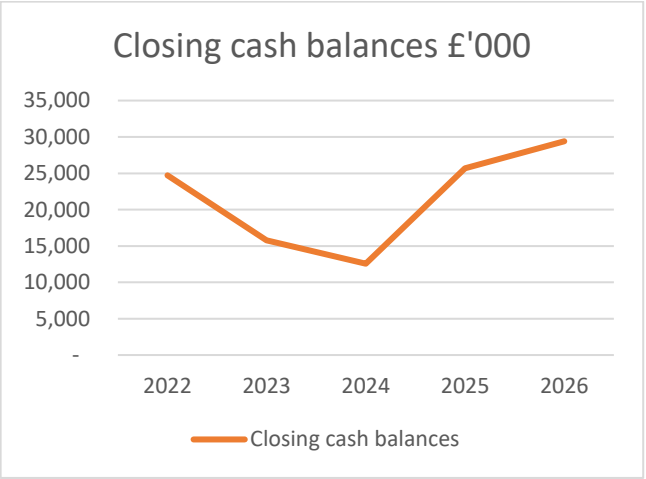
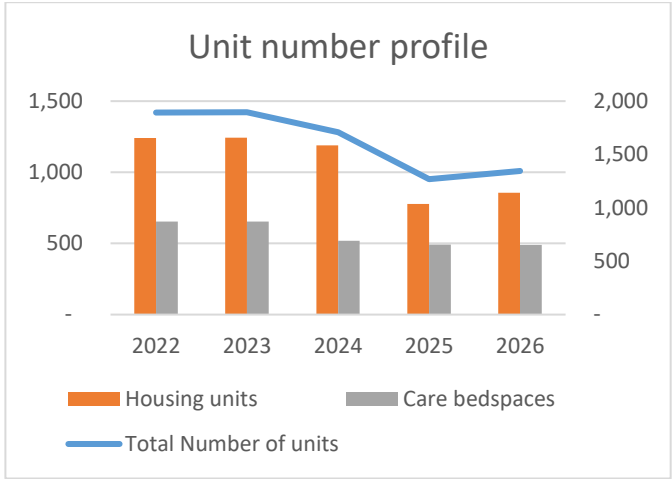
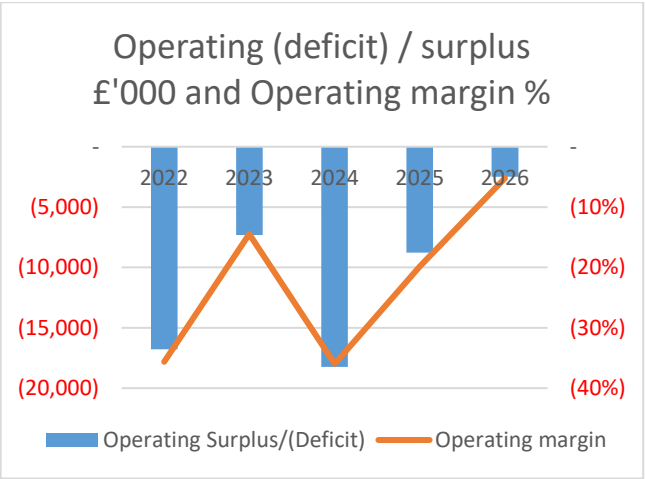
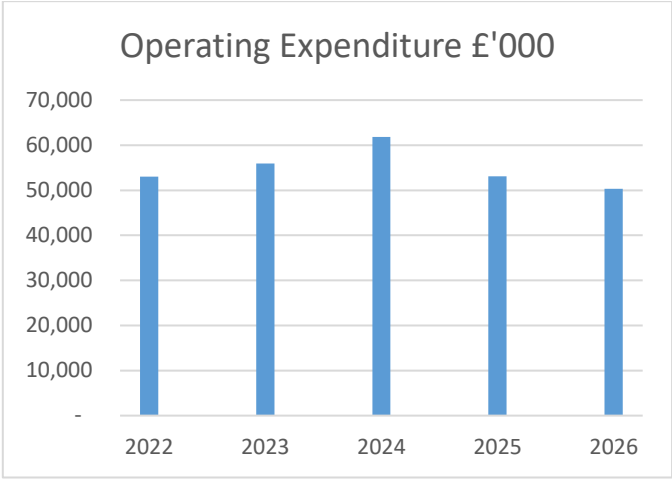
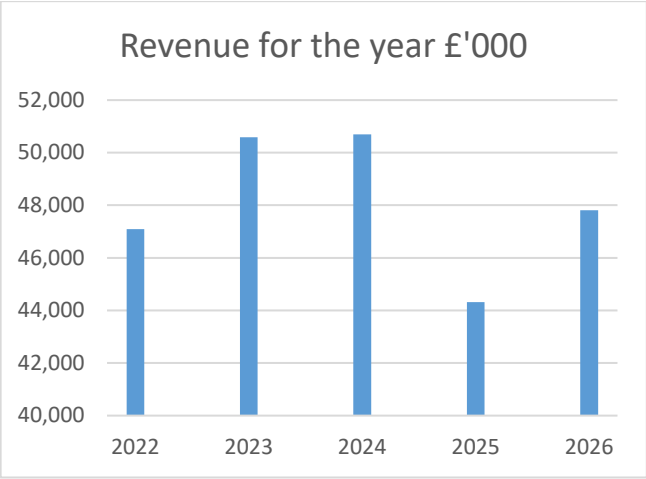
5-Year Overview of Financial Position

As at 31 March	2026	2025	2024	2023	2022
	£'000	£'000	£'000	£'000	£'000
Housing properties	97,099	94,097	109,166	117,585	121,852
Other fixed assets and investment properties	1,354	1,689	1,945	2,033	858
Net current assets	28,769	25,524	6,027	12,374	22,553
Creditors falling due after more than one year	(27,688)	(23,674)	(22,073)	(20,825)	(26,663)
Net assets	99,534	97,636	95,065	111,167	118,600

5-Year Overview of Cash flow

For the year ended 31 March	2026	2025	2024	2023	2022
	£'000	£'000	£'000	£'000	£'000
Net cash (outflow)/inflow from operating activities	(2,140)	(5,336)	(5,473)	(7,508)	(6,571)
Net cash generate/(used) in investing activities	6,428	18,754	2,559	(1,175)	7,764
Net cash outflow from financing activities	(85)	(284)	(289)	(262)	(172)
Net increase/(decrease) in cash and cash equivalents	4,203	13,134	(3,203)	(8,945)	1,021
Cash and cash equivalents	29,901	25,698	12,564	15,767	24,712

OPERATING AND FINANCIAL REVIEW (continued)



OPERATING AND FINANCIAL REVIEW (continued)

Capital Structure and Treasury Management

The Society is financed from its retained surpluses, part of which have arisen through the receipt of legacies and donations which may be restricted in their use. In addition, any surplus arising from the disposal of properties, following the closure of schemes deemed not financially viable, has contributed to our capital reserves. At the end of the financial year, the Society had in place an £8m overdraft facility. The bank facility is secured on a selection of the Society's properties. The facility provides the Society with an adequate level of liquidity, removing loan covenant requirements typically found through traditional loan borrowing. The Society is unable to raise equity funding because of its legal form. As required by the Regulator of Social Housing, 30-year financial and cash flow forecasts are prepared annually to ensure that an adequate funding strategy is in place. The Society invests cash, that is surplus to immediate operating needs, in short term interest-bearing deposit accounts, in line with its Treasury Management policy.

Employees

The number of full time employees (FTEs) has increased by 0.8% (2025: 14.1% reduction) in the year. As at 31 March 2026, the total number of FTE employees was 744 (2025: 738) as per Note 8 to the Accounts.

Reserves Policy

An important role for the Board is ensuring the long-term sustainability of the Society. Abbeyfield's reserves policy sets out the basic principles that gives the Society the resilience and financial capacity necessary to manage unforeseen business plan stresses; give assurance to lenders and creditors that the Society can meet its financial covenants and / or commitments; mitigate liquidity risks; protect the Society from a fall in income as a result of voids and boost working capital reserve to provide capital in the event that expenditure is needed ahead of income being received. In previous years, the Board sought to maintain minimum free reserves of £10m. With effect from 1 April 2023 the policy was enhanced to include a liquidity cover of four months, with an aspiration of increasing this to six months. Liquidity cover of four months is part of the Golden Rules set by Board. The total reserves at the end of March 2026 were £99.5m (2025: £97.6m). Of this, the liquid funds (i.e. cash and cash equivalent with investments) were £29.9m (2025: £25.7m) and the total restricted reserves were £3.1m (2025: £3.1m). Therefore, the free reserves at the end of the financial year were £26.3m, which exceeds the minimum £10m free reserves requirement. The liquidity cover at the end of the year was £34.8m (i.e. cash and cash equivalent, investments and overdraft) representing over six months of expenditure.

Going Concern and Viability

The net assets of the Group at the end of the year were £99.5m (2025: £97.6m) with total assets net of current liabilities of £125.2m. In addition to this, the Group had £8m of undrawn lending facilities through its overdraft facility. The Group is reporting a net Group surplus of £1.9m (2025: £2.6m), the Board has developed a long-term Business and Financial Plan based on a sustainability strategy that shows the Group's business activities will generate positive operating margins from 2029/30. The 30-year Business Plan, which has been stress-tested against challenging scenarios and a range of multi-variables, also shows a transformational plan which will lead to the Group maintaining a net surplus from 2029/30.

A full financial and market viability review of the properties owned has been carried out. The Society has also revised its risk and mitigation framework and agreed a set of Trustees' risk appetites. The sustainability strategy is also supported by a set of newly developed Golden Rules with mitigating actions for financial resilience. The Society has committed significant sums for a major works programme over the next five years and has set up a development fund to ring-fence part of its sales proceeds for new investment. Performance against targets will continue to be monitored by the Finance and Investment Committee, Audit and Risk Committee and the Board. On this basis, the Board considers it has adequate resources to continue operations for the foreseeable future and to adopt the going concern basis as the basis for preparing these accounts.

OPERATING AND FINANCIAL REVIEW (continued)

Key Performance Indicators (KPIs)

In addition to the technical Value for Money metrics required by the Regulator of Social Housing, we have a suite of KPIs that are measured on a monthly basis some of which are detailed below.

	2021/22	2022/23	2023/24	2024/25	2025/26
Operating Margin % (continuing operations excluding impairment)	(7.4%)	(9.2%)	(21%)	(17.8%)	(5.2%)
Care occupancy %	76%	82%	84%	88%	88%
Housing occupancy %	84%	85%	85%	89%	91%
Development expenditure	£4.2m	£0.7m	£1.1m	£1.1m	£2.2m
Fundraising Income	£1.9m	£3.6m	£1.3m	£0.4m	£1.0m

Donations

The Society and its subsidiaries made no political donations during the year.

Health and Safety

The Society is aware of its responsibilities on matters relating to health and safety. The Society has prepared detailed health and safety policies and provides training and education to our staff on health and safety matters. Any notable accidents or incidents are reviewed by our Customer Committee on a quarterly basis to ensure lessons are learnt which can prevent similar occurrences in the future. In the reporting period, we had eight Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reports submitted to the Health and Safety Executive (HSE). There were no serious incidents reported to the Charity Commission during the year (2025: 11).

Residents' Involvement

We actively encourage the involvement of residents and their families in decision-making by promoting forums where they can contribute to the decisions that affect them. We also carry out an annual Residents' Survey to measure satisfaction with care and housing services and to obtain feedback.

Complaint Handling

The Society adheres to the Housing Ombudsman's Complaint Handling Code (the Code). As part of compliance with the Code, an annual self-assessment of our complaint handling procedures is completed. The self-assessment 2025/26 completed in July 2025 confirmed that the Society was fully compliant with the requirements of the Complaint Handling Code. The residents' survey showed that 48.5% of respondents were satisfied with how their complaints were handled.

Compliance with Governance and Financial Viability Standard

The Board confirms that the Society has met the Regulator of Social Housing's regulatory requirements in the Governance and Financial Viability Standard applicable in the reporting year. During the year, following the stability check, the Regulator reaffirmed the strapline judgement and the ratings of G2 V2 were maintained.

Statements of Compliance

The Board confirms that this Strategic Report Review has been prepared in accordance with the principles set out in the 2022 SORP for registered housing providers. We are also pleased to report that the Society continues to comply with the principal recommendations of the NHF Code of Governance 2020.

The Strategic Report and Report of the Board were approved by the Board on 3rd September 2026 and signed on its behalf by:



Mike Turner
Chair

VALUE FOR MONEY (VfM)

VfM Strategy

The Board is committed to delivering Value for Money through the Society's activities. Our VfM Strategy sits alongside our Corporate Strategy and shapes the Society's supporting strategies. We will continue to strengthen our understanding of our value for money position; promote and embed a value for money culture; achieve year on year efficiency savings; target resources towards front line services and maintain a high level of resident satisfaction through value for money services.

Benchmarking

We monitor the performance of the Society against appropriate benchmarks and seek to understand the comparable data. Our offer to residents is unique and non-traditional when compared to the majority of Registered Providers within our Sector. Our unique offer spans both the Housing and Health Care Sector and so we typically select two benchmark groups to compare our performance against. We present below our year-on-year comparison of the technical metrics. Explanations are also provided below where there is a significant variance from the peer groups.

Our Year-on-Year Comparison of Technical VfM metrics

The table below summarises our year-on-year Value for Money performance with a flag to illustrate whether there has been improvement, decline or an unchanged position.

We continued our approach to strengthening the Statement of Financial Position as we maintained our principles of reinvesting in exiting assets whilst adding new Social Housing assets to our portfolio.

Additionally, we are pleased to report another improvement in the gearing ratio which resulted from an increase in cash balances generated through the disposal of obsolete stock.

Operating activities are showing signs of improvement with key ratios such as Operating margins and EBITDA MRI performing better than the prior year.

Headline Social Housing Cost per Unit is a combination of Social Housing activities and Care Home activities. More information on the cost per unit is provided later in this section.

Overall, it is pleasing to see leading indicators linked to a strengthening of the Statement of Financial Position and Operating activities showing signs of considerable improvement.

	Abbeyfield Living Society - Year on Year	2022/23	2023/24	2024/25	2025/26	Flag
1	Reinvestment %	2.6%	4.0%	3.1%	6.4%	↑
2a.	New Supply delivered – Social Housing Units	1.6%	0.0%	0.0%	6.4%	↑
2b.	New Supply delivered – Non Social Housing Units	0.0%	0.0%	0.0%	0.0%	↔
3	Gearing %	-13.4%	-12.0%	-26.8%	-30.8%	↑
4	EBITDA/MRI Interest Cover	-2,188%	-3,979%	-3,041%	-1,337%	↓
5	Headline Social Cost per Unit	£25,047	£27,378	£31,929	£32,819	↑
6a.	Operating margin % - Social Housing lettings only	-22.0%	-27.9%	-18.7%	-11.7%	↑
6b.	Operating margin % - Overall	-10.9%	-16.2%	-19.8%	-4.0%	↑
7	Return on Capital Employed	-4.2%	-7.1%	2.1%	1.5%	↓

Key: ↑ an improvement on prior year ↓ a decline on prior year's performance ↔ similar to prior year

VALUE FOR MONEY (continued)

Comparison of VfM Performance to Peer Groups

The table below presents our Value for Money performance against the Social Housing Sector's Housing for Older Persons peer group and Sector Medians. The data used to compare performance has been extracted from the Regulator of Social Housing's 2025 Value for Money tables.

	Abbeyfield Living Society	2025/26	Median - Peer Group 24/25	Median – Industry 24/25
1	Reinvestment %	6.4%	7.7%	7.3%
2a.	New Supply delivered – Social Housing Units	6.4%	0.3%	1.6%
2b.	New Supply delivered – Non Social Housing Units	0.0%	0.2%	0.2%
3	Gearing %	-30.8%	47.1%	48.6%
4	EBITDA/MRI Interest Cover	-1,337%	123.6%	86.6%
5	Headline Social Cost per Unit	£32,819	£6,545	£6,278
6a.	Operating margin % - Social Housing lettings only	-11.7%	19.1%	21.8%
6b.	Operating margin % - Overall	-4.0%	11.7%	17.2%
7	Return on Capital Employed	1.5%	2.5%	2.7%

Reinvestment & New Supply delivered – Social Housing

This year we have invested £3,074k into our existing assets and a further £1,995k in buying new assets made available for Affordable Rent Tenure. This is our highest return on both indicators across the prior four years.

Gearing and EBITDA MRI

The Society performs better than both peer groups across these indicators as it has no borrowings and net cash balances of c.£30m. At the end of the financial year, both metrics demonstrate an underlying capacity to borrow up to sector averages whilst having significant headroom to traditional EBITDA MRI cover ratios.

Operating margin %'s

Social Housing lettings only – Our margin has increased considerably over the prior year as we continue to improve underlying margins across older persons housing and care home provision.

Overall – Our margin has increased considerably over the prior year as we continue to improve all underlying margins, including those linked to Social Housing and; across our non-social housing activities which includes market rented and non-social housing care home provision.

Return on Capital Employed

A significant reduction in the operating deficit and an increase in net assets has contributed towards a Return on Capital Employed although work remains to be done to bring the Society closer to the peer group comparison.

Headline Social Housing Cost per Unit

Our Headline Social Housing Cost per unit remains higher than the Housing for Older Persons and Sector Median averages reflecting Abbeyfield's unique structure and service offering to residents.

VALUE FOR MONEY (continued)

Headline Social Housing Cost per Unit (continued)

Our Social Housing activities recognise 711 units of older persons Affordable Rent, Shared Ownership and Sheltered Housing accommodation. A further 244 Care bedspaces meet the definition of Social Housing provision and therefore these are also included within our Social Housing activities.

The high costs, when compared to Sector Benchmark's, typically reflect staffing costs which are required to deliver high standards of Care and Support to residents, this is the bedrock of our values as we continue to deliver outstanding levels of Care and Compassion within a Community environment appreciated and valued by our residents.

We also continue to invest in our assets as we maintain our programme of maintenance and modernisation across the portfolio.

The table below sets out the very different costs incurred via our Social Housing activities,

Abbeyfield Living Society	Abbeyfield Living Society	Housing Only	Care Only
Management cost per unit	£2,649	£880	£7,803
Service Charge cost per unit	£12,293	£14,446	£6,020
Routine and Planned maintenance cost per unit	£3,276	£3,257	£3,332
Major repairs cost per unit	£2,683	£2,578	£2,987
Other cost per unit	£14,601	£1,752	£52,041
Units	955	711	244
Cost per unit	£32,819	£20,337	£69,196
Target 2026-27	£32,042	£20,100	£66,100

Improving on Our Value for Money Metrics and Cost per Unit

Value for Money is a key consideration for social landlords and there is an increasing focus on demonstrating Value for Money especially given the rapidly shifting economic climate, increased demands from customers and overstretched budgets and funding pots.

Abbeyfield's Value for Money Strategy, which aligns to our Corporate Strategy 2025-30, aims to address how we will:

- Continue to improve our understanding of our current value for money position;
- Promote and embed a value for money culture;
- Achieve year on year efficiency savings;
- Target resources towards frontline services;
- Maintain a high level of resident satisfaction with value for money;
- Streamline processes and procedures to reduce costs;
- Invest in technology to improve service delivery and reduce costs;
- Conduct regular value for money assessments to identify opportunities for improvement;
- Benchmark performance against other social landlords to identify areas for improvement;
- Engage our residents to understand their needs and preferences, and tailor services accordingly and;
- Focus on preventative maintenance to reduce the need for costly repairs.
- Understand the core drivers of costs across all our Social Housing activities.

RISKS AND ASSURANCE

The Board is aware of the key risks faced by the Society and has assessed their likely impact and severity against the organisation’s strategic objectives.

Being a Registered Provider of Social Housing and a Provider of Adult Social Care, the Society complies with dual regulation through both the Regulator of Social Housing and The Care Quality Commission.

The Board is aware of the Sector risks highlighted by the Regulator of Social Housing in its publication of the 2025 Sector Risk Profile report and has mapped those risks to the risks identified by the Board.

A robust system of Care Inspection is performed by the Society’s in-house Care Quality Assessment Team which ensures the Society operates within the CQC’s current framework.

In-keeping with the Board’s determination to ensure residents are at the heart of quality services and safety, the Board again reviewed its risk appetite during the year.

The Board accepts a proportionate and measured approach to risk is required as we continue to balance the delivery of the Corporate Strategy and long-term financial viability through constant change emanating from Government policy and the wider political and economic environment.

The Board’s overall appetite to risk is weighted towards Cautious.

Risk Appetite					
Averse	Minimal	Cautious		Open	Eager
Compliance with Health and Safety Cyber Security Compliance with Laws and Regulation		People and Culture	Environment & sustainability		
		Political uncertainty	Data quality		
		Customer experience	Procurement		
		Financial performance	Availability of finance		
		Asset Management	Leadership and Governance		
		Reputation	Development		

The Board is satisfied that an effective Risk Assurance and Management Framework is in place. This assessment is supported through evidence of a robust internal audit programme being in place and recent feedback obtained from an independent review of the Society’s overall Risk Management Framework.

Risk Reporting has continued to evolve throughout the year with a focus placed upon Strategic Risk Management and Reporting. This ensures the Board remains focused on Strategic Risks which could derail the Corporate Strategy.

The Board has identified fifteen key Corporate risks which are actively monitored by the Audit and Risk Committee and discussed by Board.

The following page sets out those risks and mitigations in further detail.

RISK AND ASSURANCE (continued)

Key Corporate Risks

People and Culture (Cautious) – Failure to recruit and retain talent whilst failing to instil the desired culture.

Abbeyfield mitigates this risk by:

- Benchmarking salaries and remuneration packages
- Career pathways
- Dedicated recruiters
- Role and culture based training

Compliance with Health and Safety (Averse) – Failure to comply with Health and Safety regulations.

Abbeyfield mitigates this risk by:

- Health and Safety audits take place frequently
- Role specific training
- Analysis of legislative changes along with gap analysis
- Range of policies and procedures

Political and Economic uncertainty (Cautious) – Inability to protect against political and economic changes.

Abbeyfield mitigates this risk by:

- Horizon scanning for expected changes to political and economic landscape
- Scenario testing against the Long-Term Financial Plan
- Engage in policy conversations such as All-Party Parliamentary Groups (APPG's)

Cyber Security (Averse) – Failure to comply with data protection regulations and to prevent a successful cyber attack.

Abbeyfield mitigates this risk by:

- Rolling Cyber Security Roadmap
- Cyber and Ransomware monitoring
- Software, Hardware and Firmware patches regularly deployed
- Regular Penetration Testing
- Third Party assurance

Customer Experience (Cautious) – Failure to effectively engage with customers and respond to complaints and feedback.

Abbeyfield mitigates this risk by:

- Dedicated customer engagement and complaints handling team
- Analysis of customer feedback
- Co-design services and action plans
- Consumer Standards and Tenant Satisfaction Measures assessment group

RISK AND ASSURANCE (continued)

Key Corporate Risks (continued)

Financial Performance (Cautious) – Failure to prevent operating deficits and erode cash balances.

Abbeyfield mitigates this risk by:

- Effective budgeting and monthly monitoring of performance
- Benchmark performance to Social Housing and Care Sector reports
- Cash flow monitoring and effective Golden Rules
- Revenue growth and Cost mitigation and reduction strategies.

Asset Management (Cautious) – Failure to maintain and improve existing assets.

Abbeyfield mitigates this risk by:

- Rolling Stock Condition programme
- Framework partnership agreements
- Decent Homes compliance
- Application of Housing Health and Safety Rating System (HHSRS).

Reputation (Cautious) – Failure to maintain a strong reputation leading to poor brand recognition.

Abbeyfield mitigates this risk by:

- Communications and Health and Safety teams in place
- Robust policies and procedures
- Environmental awareness
- Strong resident engagement

Non-compliance with laws and regulation (Averse) – Failure to comply with legal and regulatory requirements.

Abbeyfield mitigates this risk by:

- Dedicated legal team in place
- Strong engagement with Regulators
- Employee relations team
- Advisory and assurance services

Environment and Sustainability (Cautious) – Failure to comply with carbon reduction requirements.

Abbeyfield mitigates this risk by:

- Asset management and investment strategy
- Working towards the equivalent to ISO14001
- Environmental strategy and reporting

Data quality (Cautious) – Failure to ensure complete, accurate and transparent data.

Abbeyfield mitigates this risk by:

- Data Strategy and data owners
- GDPR guidelines and training
- Single source of data
- Advisory and assurance services

RISK AND ASSURANCE (continued)

Key Corporate Risks (continued)

Procurement (Cautious) – Failure to ensure effective procurement processes and contractor management.

Abbeyfield mitigates this risk by:

- Procurement strategy
- Effective contractor management training and processes
- Contract register
- Public Sector compliant tender processes

Availability of finance (Cautious) – Failure to meet financial commitments including legacy transactions and latent defect costs.

Abbeyfield mitigates this risk by:

- Effective liquidity management
- Effective recording of contingent and actual liabilities
- Effective recycling of Grant originating from disposal transactions
- Access to fixed borrowing, Revolving credit and or overdraft facilities.

Leadership and Governance (Cautious) – Ineffective Leadership and Governance leading to a failure to implement an effective Corporate Strategy.

Abbeyfield mitigates this risk by:

- Effective leadership and development training
- Succession planning
- Application of the National Housing Federations Code of Governance
- Annual assessments of Governance and Financial viability Standard
- Effective monitoring of Key performance Indicators
- Review and analysis of Corporate Strategy key objectives.

Development (Cautious) – Failure to deliver development plans.

Abbeyfield mitigates this risk by:

- Growth and Development Strategy
- Independent advisory and professional services
- Effective utilisation of Recycled Capital Grant funds
- Actively acquisitive
- Selecting and maintaining key stakeholder relationships

STATEMENT OF RESPONSIBILITIES OF THE BOARD

The Board is responsible for preparing the Strategic Report, Annual Report and the Financial Statements, in accordance with applicable law and regulation.

Company law and social housing legislation require the Board to prepare Financial Statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Board must not approve the Financial Statements unless it is satisfied that they give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period.

In preparing these Financial Statements, the Board members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2018" and FRS102 have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Society will continue in business.

Board members are also responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable it to ensure that its financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Registered Providers of Social Housing 2022.

The Board is also responsible for safeguarding the assets of the Society and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Board members are also responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2018" and FRS 102. The Board is responsible for ensuring that the assets of the Society are properly applied under charity law. The annual report and accounts are published on the Society's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Slavery and human trafficking statement

The Modern Slavery Act 2015 introduced new obligations in relation to slavery and human trafficking. The Society is fully supportive of the legislation as it is in keeping with our ethos and principles. The statement includes compliance for our supply chain partners.

GOVERNANCE

Board members and Executive Team

The Society's Board members who served during the year are set out on page 6. The Board members are drawn from a wide range of backgrounds bringing together professional, commercial and other relevant experience.

The Board, which comprises the company directors, has overall responsibility for the direction, management and control of the Society. Overall operational management is delegated to the Chief Executive and the Executive Team. The Board adopts the National Housing Federation (NHF) Code of Governance 2020 and the Company Secretary and the Executive Team provide support to the Board in monitoring compliance with the Code.

The Board may comprise up to 10 trustees and requires a minimum of five trustees including the Chair. Board members are appointed by the Board.

Applications to be considered for appointment to the Board are invited following recruitment and advertising. Candidates are nominated for appointment by the People Committee having regard to the need for the persons appointed having the necessary range of skills, experience, gender, age and ethnicity.

Board members may serve for fixed terms of three years up to a maximum of nine years. The Board formally met four times during the year, with additional sessions to discuss strategy and performance.

Throughout the year, the Board continued to monitor its effectiveness and the terms of reference for the various committees of the Board, to ensure that they are following best practice in the sector. Board members are encouraged to acquaint themselves with all aspects of the Society, particularly operational matters. The Executive Team hold no financial interest in the Society, except for their remuneration arrangements, and act as executives within the authority delegated to them by the Board. The Executive Team is entitled to join the Society's stakeholder pension scheme on the same terms as other employees. Details of their remuneration are disclosed in Note 9 (Board and Executive Remuneration).

Insurance policies indemnify Board members and officers against liability when acting for the Society.

Directors Duties and section 172 reporting

The Directors of the Society must act in accordance with a set of general duties embodied in section 172 (1) (a-f) of the Companies Act 2006, summarised as follows:

A Director must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so, have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term.
- The interests of the company's employees.
- The need to foster the company's business relationships with suppliers, customers and others.
- The impact of the company's operations on the community and environment.
- The desirability of the company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the company.

As part of the induction process, Directors are briefed on their duties, including the long-term stewardship of the Society to ensure it delivers against its strategic objectives as set out in the Trustees' Report above. Our Board monitors the impact of its decisions against the long-term financial plan on an annual basis, and more often if the situation demands. We operate to a strategic plan that involves setting both operational and financial targets that address our charitable objectives as set out in the Report of the Board.

Our employees are fundamental to the delivery of our plan. We are a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our employees is one of our primary considerations in the way we conduct our business.

GOVERNANCE (continued)

We have policies on fraud, anti-bribery and a whistleblowing policy which encourages colleagues to raise issues of suspected malpractice. Our Audit and Risk Committee also receives reports if issues are raised.

Internal Controls Assurance

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. We recognise that any system can only manage, and not eliminate, risk and can only provide reasonable, and not absolute, assurance against material misstatement or loss. The Board is satisfied that controls are in place and it ensures there is ongoing review as part of a process of continuous improvement. Forvis Mazars LLP were appointed in 2018 to provide internal audit function.

The Board approves the annual budgets, business plans and risk management framework on recommendation of the Finance and Audit Committees. A delegated authority framework is in place for incurring and approving expenditure, with formal involvement of members of the Board for larger transactions. Quarterly updates on performance against business objectives and the budget are provided to the Board. The Society has staff recruitment and appraisal processes in place. This includes monitoring of staff performance through one-to-ones and the effectiveness of training programmes undertaken by our staff. Whilst the Board cannot delegate ultimate responsibility for the system of internal control, it has delegated the review of the effectiveness of the Society's system of internal control to the Audit and Risk Committee. The Board receives minutes of all meetings of the Audit and Risk Committee and gets assurance from the committee that arrangements are in place to manage the risk of fraud.

Environment

We have made a positive start towards improving our own Environmental Sustainability. 5 years ago, an Environmental Working Group was formed, comprising various interested parties from across the Society. This was used as a hub to raise ideas of how Abbeyfield could evolve to be a greener place to live and work. We further appointed an Environmental Sustainability Co-ordinator during the year to lead on our approach to delivering environmental sustainability in our homes. We have established targets to reduce energy consumption, plans to increase resource focused on environmental initiatives and funding for specific capital expenditure in our schemes to deliver environmental efficiency.

Consumption 2025/26					Consumption 2024/25				
	KWh	Mileage	Litres	Kg CO2e		KWh	Mileage	Litres	Kg CO2e
	000	000		000		000	000		000
Electric	3,863			686	Electric	5,276			1,230
Gas	10,902			1994	Gas	12,829			2,990
LPG			165,841	258	LPG			171,903	266
Transport		242		67	Transport		262		62
Total	14,765	242	165,841	3,005	Total	18,105	262	171,903	4,548
Year on Year Improvement					1,543				
% Improvement					33.9%				

Our impact on the environment is set-out in the Streamlined Energy Carbon Report (SECR) above. The SECR framework is a mandatory UK-wide reporting scheme to improve transparency and help reduce carbon emissions. The carbon footprint table below reflects activity across the Society.

The actual gas and electricity consumption was recorded in KWh. To convert kWh to kg of carbon (Kg Co2e) released based on Greenhouse gas reporting, a conversion factor from Department for Business, Energy and Industrial Strategy (BEIS) has been used. The conversion factors are 0.1829 and 0.1777 kg respectively.

GOVERNANCE (continued)

produced from a carbon free source. The factor is based on the carbon emissions generated by the current UK power stations per kWh generated.

The data reflects an overall reduction in carbon emissions of 33.9%. During the year, there was a 26% decrease in electric consumption and a 15% decrease in gas consumption. LPG usage was not reported in previous years. Given that we saw a smaller increase in electricity pricing, we switched, where possible, to electricity usage over gas. This approach led to an overall cost saving in our energy costs. We continue to install new energy efficient boilers and make a huge effort to embed better energy efficiency practices in our homes.

Fundraising

ALS are committed to achieving the highest standards of professional fundraising. ALS are corporate members of the Institute of Fundraising and registered with the Fundraising Regulator, to whom we pay the Fundraising Levy. Through the systems and processes we have put in place, we aim to achieve the standards set out in the Fundraising Code of Practice. ALS are signed up to the Fundraising Preference Service. Our small team of fundraising staff are aware of and pay due attention to data protection practices to ensure we are compliant with the General Data Protection Regulation (GDPR) when handling personal data. Complaints from fundraising activities are contained in the Complaints / Whistleblowing Register which is reviewed regularly by the Audit and Risk Committee and or the Customer Committee. During the year, we had no fundraising complaints (2025: nil).

Statement of Public Benefit

As a public benefit entity providing housing, care and support to older people, our Board has complied with its duty to have due regards to the Charity Commission's guidance on public benefit when exercising their powers and duties to which the guidance relates. Our Mission and Values are discussed on page 5. Our Charitable Object include the relief and care of elderly persons of all classes, beliefs and nationalities. Our homes are open to all that apply and we ensure the necessary assessments are done to ensure individuals are placed in the right home and / or care environment suitable to their needs. We have a dedicated Resident Engagement Manager, have implemented a Residents Panel and undertake annual residents' surveys as part of our approach to engaging with residents and evaluating residents' satisfaction, year on year.

The report of the Board was approved by the Board on 3rd September 2026 and signed on its behalf by:



Mike Turner
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD SOCIETY

Opinion

We have audited the financial statements of The Abbeyfield Society (the 'society') and its subsidiaries (the 'group') for the year ended 31 March 2026 which comprise the consolidated and society statements of comprehensive income, the consolidated and society statements of financial position, the consolidated and society statements of changes in reserves and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice), the Housing and Regeneration Act 2008, the Statement of Recommended Practice (SORP) accounting by Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the society's affairs as at 31 March 2026 and of the group's and society's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Housing and Regeneration Act 2008, the Statement of Recommended Practice (SORP) accounting by Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the board members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the board members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The board members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD SOCIETY (continued)

misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the report of the board, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report included within the report of the board have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the society and their environment obtained in the course of the audit, we have not identified material misstatements in the report of the board.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the board members' responsibilities statement, the board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board members are responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board members either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD SOCIETY (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our Report

This report is made solely to the society's members, as a body, in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Susanna Cassey (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Fleet House
New Road
Lancaster
United Kingdom
LA1 1EZ

Date: 17 September 2026

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income for the year ended 31 March 2026

	Note	Total 2026 £'000	Total 2025 £'000
Turnover	4	47,809	44,312
Operating costs		(50,297)	(53,088)
Impairment	15	-	-
Total Operating Costs	4	(50,297)	(53,088)
Operating (deficit)	4	(2,488)	(8,776)
Surplus on disposal of Housing Properties	11	3,819	10,862
Other interest receivable and similar income	12	875	751
Interest and financing costs	13	(308)	(284)
Movement in fair value of investment properties	17	-	-
Movement in fair value of investments	21	-	18
Surplus / (deficit) before taxation		1,898	2,571
Taxation	14	-	-
Surplus / (deficit) after taxation and total comprehensive income/(expense) for the year		1,898	2,571

The Notes on pages 39 to 61 form part of these Financial Statements.

FINANCIAL STATEMENTS

Society Statement of Comprehensive Income for the year ended 31 March 2026

	Note	Total 2026 £'000	Total 2025 £'000
Turnover	4	47,809	44,312
Operating costs		(50,301)	(53,088)
Impairment	15	-	-
Total Operating Costs	4	(50,301)	(53,088)
Operating (deficit)	4	(2,492)	(8,776)
Surplus on disposal of Housing Properties	11	3,819	10,862
Other interest receivable and similar income	12	875	751
Interest and financing costs	13	(308)	(284)
Movement in fair value of investment properties	17	-	-
Movement in fair value of investments	21	-	18
Surplus / (deficit) before taxation		1,894	2,571
Taxation	14	-	-
Surplus / (deficit) after taxation and total comprehensive income/(expense) for the year		1,894	2,571

The Notes on pages 39 to 61 form part of these Financial Statements.

FINANCIAL STATEMENTS

Consolidated and Society Statements of Financial Position at 31 March 2026

			Restated		Restated
		Group	Group	Society	Society
		2026	2025	2026	2025
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets - housing properties	15	98,835	95,833	100,115	97,113
Other fixed assets - Tangible and Intangible	16	474	809	474	809
Investment properties	17	880	880	880	880
		100,189	97,522	101,469	98,802
Current assets					
Properties held for sale	19	3,358	6,376	3,358	6,376
Debtors - receivable within one year	20	3,279	3,076	3,527	3,272
Debtors - receivable after one year	20	-	-	-	-
Investments	21	-	-	-	-
Cash and cash equivalents		29,901	25,698	29,719	25,516
		36,538	35,150	36,604	35,164
Creditors: amounts due within one year	22	(9,505)	(11,362)	(9,633)	(11,415)
Net current assets		27,033	23,788	26,971	23,749
Total assets less current liabilities		127,222	121,310	128,440	122,551
Creditors: amounts due after one year	23	(27,288)	(22,874)	(27,269)	(22,874)
Provision for Liabilities and Charges due after one year	24	(400)	(800)	(400)	(800)
Net assets		99,534	97,636	100,771	98,877
Capital and reserves					
Income and expenditure reserve		96,454	94,501	97,691	95,742
Restricted reserve		3,080	3,135	3,080	3,135
Total Capital and reserves		99,534	97,636	100,771	98,877

The financial statements were approved by the Board and authorised for issue on 3rd September 2026 and signed on their behalf by:



Mike Turner
Chair

The Notes on pages 39 to 61 form part of these Financial Statements.

FINANCIAL STATEMENTS

Consolidated and Society Statements of changes in reserves at 31 March 2026

Group statement of changes in reserves for the year ended 31 March 2026

	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 31 March 2025	94,501	3,135	97,636
Surplus / (Deficit) for the year	1,953	(55)	1,898
Transfer (to)/from restricted reserve	-	-	-
Balance at 31 March 2026	96,454	3,080	99,534

Society statement of changes in reserves for the year ended 31 March 2026

	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 31 March 2025	95,742	3,135	98,877
Surplus / (Deficit) for the year	1,949	(55)	1,894
Transfer (to)/from restricted reserve	-	-	-
Balance at 31 March 2026	97,691	3,080	100,771

Group statement of changes in reserves for the year ended 31 March 2025

	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 31 March 2024	91,265	3,800	95,065
Surplus / (Deficit) for the year	3,236	(665)	2,571
Transfer (to)/from restricted reserve	-	-	-
Balance at 31 March 2025	94,501	3,135	97,636

Society statement of changes in reserves for the year ended 31 March 2025

	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 31 March 2024	92,506	3,800	96,306
Surplus / (Deficit) for the year	3,236	(665)	2,571
Transfer (to)/from restricted reserve	-	-	-
Balance at 31 March 2025	95,742	3,135	98,877

The Notes on pages 39 to 61 form part of these Financial Statements.

FINANCIAL STATEMENTS

Consolidated statement of Cash Flows for the year ended 31 March 2026

		2026 £'000	2025 £'000
Cash flows from operating activities			
Surplus / (deficit) for the financial year		1,898	2,571
Adjustments for:			
Depreciation of fixed assets - housing properties	7	2,018	2,218
Accelerated depreciation on disposal of components	7	217	93
Depreciation of other fixed assets - Tangible and Intangible	16	426	396
Transfer of fixed asset to current asset	15	-	5,477
Impairment release at point of sale	15	(4,721)	-
Amortisation of grant	5	(135)	(135)
Grant recycled at sale of property	11	(2,126)	-
Movement in fair value of investments	21	-	(18)
Interest payable and finance costs	13	95	284
Interest received	12	(875)	(751)
(Surplus) on the disposal of fixed assets	11	(3,819)	(10,862)
(Increase) / decrease in trade and other debtors	20	(203)	676
Decrease / (increase) in properties held for sale	19	3,018	(6,253)
Decrease in creditors		2,067	968
Net cash (outflow) from operating activities		(2,140)	(5,336)
Cash flows from investing activities			
Transaction costs for sale of housing properties	11	(94)	(237)
Grant repaid	26	-	(1,743)
Sale of current asset investments	21	-	412
Proceeds from sale of fixed assets - housing properties	11	10,807	22,341
Purchase of fixed assets - housing properties	15	(3,074)	(2,863)
Purchase of fixed assets - leasehold properties	15	(1,995)	-
Purchase of Other fixed assets - Tangible and Intangible	16	(91)	(139)
Net loan repayments from member societies	20	-	232
Interest received	12	875	751
Net cash generated in investing activities		6,428	18,754
Cash flows from financing activities			
Interest paid	13	(85)	(284)
Net cash (outflow) from financing activities		(85)	(284)
Net increase/(decrease) in cash and cash equivalents		4,203	13,134
Cash and cash equivalents at beginning of year		25,698	12,564
Cash and cash equivalents at end of year		29,901	25,698

The Notes on pages 39 to 61 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. LEGAL STATUS

The Group consists of the following three trading entities: The Abbeyfield Society Limited ("the Society", company number 574816), Abbeyfield Properties Limited (company number 9482576) and The Abbeyfield Research Foundation (company number 9705217). The Society is a company limited by guarantee, incorporated in England and Wales, having no share capital and with solely charitable objectives. The Society is registered with the Regulator of Social Housing and the Charity Commission. The Society's registered address is 17-19 Hampton Lane, Solihull, B91 2QJ. The Society is a member of the wider Abbeyfield Family, headed by Abbeyfield England and The Abbeyfield Society World Council. The Abbeyfield Society is now trading as The Abbeyfield Living Society.

The Society and the Group do not have a controlling interest in any Abbeyfield Member Society. The Society is a public benefit entity. These financial statements do not reflect the assets, liabilities or financial transactions of any member societies other than the Society. Abbeyfield Properties Limited is a company limited by shares, incorporated in England and Wales, having a share capital of £1. Abbeyfield Properties Limited is a wholly owned subsidiary of the Society. It was set up by the Society as a design-and-build company for undertaking new developments. Abbeyfield Research Foundation is a company limited by guarantee, incorporated in England and Wales, having no share capital and with solely charitable objectives. It is registered with the Charity Commission (Charity No. 1167685). Abbeyfield Research Foundation is a wholly owned subsidiary of the Society. Abbeyfield Research Foundation is a fundraising and grant making body, which focuses on funding research into issues that affect older people.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable law and UK accounting standards in the United Kingdom (United Kingdom Generally Accepted Accounting Practice) which for the Society includes the Companies Act, Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland", and the Statement of Recommended Practice (SORP) for Registered Social Housing Providers, "Accounting by Registered Social Housing Providers" 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The accounts are prepared under the historic cost basis except for the modification to a fair value basis for certain financial instruments and investment properties, as specified in the accounting policies below. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the management to exercise judgement in applying the Group's accounting policies. In preparing the separate financial statements of the Society, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis for determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel
No cash flow statement has been presented for the Society;
- Disclosures in respect of the Society's financial instruments have not been presented since equivalent disclosures have been provided in respect of the Group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Society as their remuneration is included in the totals shown for the Group as a whole.

The financial statements are prepared in sterling, which is the functional currency of the society. Monetary amounts in the financial statements are rounded to the nearest £'000, unless otherwise stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

The following principal accounting policies have been applied:

Basis of Consolidation

The consolidated financial statements present the results of the Society, a registered provider of social housing and its subsidiaries (together "the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Going Concern

The Board has developed a long-term Business Plan based on a sustainability strategy that shows the Group's business activities will generate positive operating margins from 2029/30. The 30-year Business Plan, which has been stress-tested against challenging scenarios and a range of multi-variables, also shows a transformational plan which will lead to the Society maintaining a net Group surplus from 2025/26.

A full financial and market viability review of the properties owned has been carried out. The Society has also revised its risk and mitigation framework and agreed a set of Trustees' risk appetites. The sustainability strategy is also supported by a set of newly developed Golden Rules with mitigating actions for financial resilience. The Society has committed significant sums for a major works programme over the next five years and will be setting up a development fund to ring-fence part of its sales proceeds for new investment. Performance against targets will continue to be monitored by the Finance and Investment Committee, Audit and Risk Committee and the Board. On this basis, the Board considers it has adequate resources to continue operations for the foreseeable future and to adopt the going concern basis as the basis for preparing these accounts.

Income

The Society's turnover principally comprises income receivable from residents, annual membership fees due from Member Societies, donations from third parties, legacies and sale of properties. The residents' charges are composite amounts covering rent, service charges and care income. Income is measured at the fair value of the consideration received or receivable. The Group generates the following material income streams:

- Rental income (excluding rent from void properties available for letting);
- Service charges receivable;
- Donations and legacies;
- Membership fees;
- Property sales proceeds;
- Market rents.

Turnover from social housing lettings is recognised on delivery of services to end users, as the Society performs its obligations. Income from donations and legacies is accounted for on a receivable basis when it is more likely than not that the economic benefits will flow to the Society and the amount of the income can be measured reliably together with any related costs. Proceeds from the sale of properties are recognised on completion of sales. Rental income is recognised from the point when properties under development reach practical completion and are formally let. Income from properties built for sale is recognised at the point of legal completion of the sale. The Group adopts a fixed method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.

Legacy Income

Legacy income is recognised in the accounts when receipt is considered probable. Legacy receipts are usually considered probable when the executors have confirmed there is a bequest to the Society.

Value Added Tax

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. Recoverable VAT arising from partially exempt activities is credited to the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Corporation Tax

The society pays corporation tax at the applicable rate within the United Kingdom, however due to its charitable status as recognised by HMRC, the Group benefits from the relief applicable to charities and housing associations.

Finance Costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the applicable interest rate so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pension Costs

Contributions to the Group's defined contribution pension scheme are charged to the Statement of Comprehensive Income in the year in which they become payable.

Holiday Pay Accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Tangible Fixed Assets- Housing Properties

Housing properties constructed or acquired (including land) on the open market are stated at cost less depreciation and impairment where applicable. Housing properties received as part of a transfer of undertakings were initially recorded at fair value; depreciation and impairment has been deducted as applicable. The cost of freehold land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development.

Expenditure on major refurbishment of properties are capitalised where the works will increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income with the exception of components, which are capitalised as they have a life of more than one year. Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, are included in Tangible Fixed Assets and held at cost less any impairment, and are transferred to completed properties when ready for letting.

Depreciation of Housing Properties

Housing properties are split between freehold land, structure and other major components that are expected to require replacement over time. The portion of shared ownership property retained or expected to be retained is not depreciated on account of the high residual value. Neither the depreciable amount nor the expected annual depreciation charge for such assets is considered material, individually or in aggregate. Assets in the course of construction are not depreciated until they are completed and ready for use. Freehold land is not depreciated on account of its indefinite useful economic life. The cost of all other housing property including shared ownership properties (net of accumulated depreciation to date and impairment, where applicable) and components is depreciated over the useful lives of the assets on the following basis:

Description	Estimated useful life (years)
Structure	100
Roofs	50
Kitchen	30
Bathroom	30
Windows and doors	30
Electrical	20
Heating	15
Lifts	15
Furniture and Equipment	10

NOTES TO THE FINANCIAL STATEMENTS (continued)

Allocation of Costs for Mixed Tenure and Shared Ownership Developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure type costs the costs are allocated by square footage.

Other Fixed Assets – Tangible & Intangible

Other tangible and intangible fixed assets are stated at historic cost less accumulated depreciation and any accumulated impairment losses. Historic cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Society. The

carrying amount of the replaced part is written off. Repairs and maintenance are charged to SOCI during the period in which they are incurred.

Depreciation of Other Fixed Assets - Tangible and Intangible

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives are as follows:

Description	Estimated useful life (Years)
Furniture and equipment	10
Motor vehicles	5
Office furniture	5
Office equipment and computer software	3-5

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised below operating surplus/(deficit), in the statement of comprehensive income.

Investment Properties

Investment properties consist of properties not held for social benefit or use in operations. They are properties held to earn rental income or for capital appreciation. They are initially measured at cost and subsequently at fair value as determined by external valuers. No depreciation is provided. Changes in fair value are recognised in SOCI.

Government Grants

Grant received in relation to constructed or acquired housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grant is carried as deferred income in the balance sheet and released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the asset for which it was received. Where social housing grant ("SHG") funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property if not transferred to the purchaser if they are an RP. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the Statement of Comprehensive Income. Where properties with grant attached are received as part of a transfer of undertakings the ultimate requirement to recycle/repay grant sits within the Society and is recorded as a contingent liability. Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate once performance related conditions have been met. Grants due from government organisations or received in advance are included as current assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Recycled Capital Grant Fund

On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Society to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three-year period, grant should be repayable to Homes England with interest. Any unused recycled capital grant held, is disclosed in the balance sheet under "creditors due after more than one year", except where the property disposal was greater than two years previous and this is disclosed, as creditors due less than one year.

Valuation of Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Investments in listed company shares, which have been classified as current asset investments, are stated at fair value at each balance sheet date. Gains and losses are recognised in the Statement of Comprehensive Income for the period.

Impairment of Tangible Fixed Assets

The housing property portfolio for the Group is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Some properties have been valued at value-in-use service potential. The Society defines cash generating units at unit level. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to Statement of Comprehensive Income. Regular review of current impairment is undertaken to establish accuracy, prior impairment may be reversed where appropriate.

Properties Held for Sale

Properties held for sale comprises work in progress and completed properties, including housing properties developed for transfer to other registered providers; closed properties received as part of a transfer of undertakings that are held for sale; properties developed for outright sale; and shared ownership properties. For shared ownership properties the value held as properties held for sale is the estimated cost to be sold as a first tranche. Properties held for sale are stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

Shared Ownership

The share of shared ownership properties which is to be sold in the first tranche sale is held within stock. The remainder, comprising further tranches and the element which is to be retained by the Society is held within fixed assets.

Debtors and Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

Recoverable Amount of Rental and Other Trade Receivables

The Group estimates the recoverable value of rental and other receivables and impairs any debtors by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historic collection rates and the class of debt.

Loans to Member Societies

Loans to Member Societies are regarded as concessionary loans (FRS 102). Those loans are made at a rate of interest which is below the prevailing market rate of interest. These loans are measured at the amount advanced at the inception of the loan less amounts received and any provisions for impairment. Any associated grant is recognised as deferred income until the loan is redeemed.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Rent and Service Charge Agreements

The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

Loans, Investments and Short-Term Deposits

These instruments are initially recorded at the transaction price less any transaction costs (historic cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

Financial Liabilities and Equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Cash and Cash Equivalents

Cash and cash equivalents in the Group's balance sheet consists of cash at bank and on deposit with an original maturity of three months or less.

Reserves

Income received, and expenditure incurred, for restricted purposes is separately accounted for as restricted funds. Restricted funds arise from either the conditions of the legacy or donation. Realised and unrealised gains and losses on assets held as restricted funds are also allocated to the restricted fund. Unrestricted reserves are accounted for under the income and expenditure reserves.

Leased Assets: Lessee

Where assets are financed by leasing agreements that give rights to the Group approximating to ownership (finance leases), the assets are treated as if they has been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease. Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognized over the term of the lease as an integral part of the total lease expense.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, key judgements have been made in respect of the following:

- whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset;
- the anticipated costs to complete a development scheme are based on anticipated construction cost, effective rate of interest on loans during the construction period, legal and other costs. Based on the costs to complete, the recoverability of the cost of properties developed for outright sale and/or land held for sale is considered. This judgement is also based on the best estimate of sales value taking on board the economic conditions within the area of development;
- the appropriate allocation of costs relating to shared ownership between current and fixed assets;
- the appropriate allocation of depreciation as highlighted in the policy on page 42, the group do not depreciate shared ownership properties.
- the categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset;

NOTES TO THE FINANCIAL STATEMENTS (continued)

- the categorisation of leases as operating, or finance leases based on the risk and rewards of ownership of the asset over the economic life of the asset, such as for the key Southampton scheme where the assessment shows that the risks and rewards are predominately with the lessor over the economic life of the site and it is accordingly accounted for as an operating lease.
- Going concern and viability as highlighted on page 18.

Other Key Sources of Estimation Uncertainty

Tangible Fixed Assets including shared ownership properties (see Note 15) are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Investments (see Note 21): The most critical estimates, assumptions and judgements relate to the determination of carrying value of investments which are determined using the values provided by Waverton Investment Management.

Debtors (see Note 20): The estimate for receivables involves an assessment of recoverability of the balances outstanding at the year end, including a review of the age profile of the debt, historic collection rates and the class of debt.

Investment properties (see Note 17): Investment properties are valued annually using yield methodology. This requires the use of market rental values capitalised at a market capitalisation rate. There is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key input into the valuation are the rent receivable, net initial yield and location / condition of the property.

Onerous lease (see Note 24): During FY24, the charity identified a contract for the lease of office space that has become onerous due to a significant decrease in the need for office space as a result of increased remote working.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Particulars of turnover, operating costs and operating surplus – Group

	Note	Turnover 2026 £'000	Operating costs 2026 £'000	Operating (deficit) / surplus 2026 £'000
Social housing lettings	5	11,409	(12,738)	(1,329)
Care Homes	5	15,630	(16,884)	(1,254)
Affordable rent	5	1,992	(1,721)	271
Activities other than Social Housing Activities				
Care Homes Non Social Housing		14,061	(15,096)	(1,035)
Market rent		1,413	(1,444)	(31)
Leasehold		888	(936)	(48)
Dom Care		981	(1,122)	(141)
Other		268	(149)	119
Membership activity		154	(177)	(23)
Donations and legacies		1,013	(30)	983
Total		47,809	(50,297)	(2,488)

	Note	Turnover 2025 £'000	Operating costs 2025 £'000	Operating (deficit) / surplus 2025 £'000
Social housing lettings	5	10,091	(14,942)	(4,851)
Care Homes	5	15,744	(19,026)	(3,282)
Affordable rent	5	1,872	(1,311)	561
Activities other than Social Housing Activities				
Care Homes Non Social Housing		12,794	(14,220)	(1,426)
Market rent		1,229	(1,256)	(27)
Leasehold		808	(833)	(25)
Dom Care		844	(1,021)	(177)
Other		366	(206)	160
Membership activity		123	(262)	(139)
Donations and legacies		441	(11)	430
Total		44,312	(53,088)	(8,776)

The disclosure above has been enhanced, and as a result the comparative information has been re-presented on the same basis for consistency.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Particulars of turnover, operating costs and operating surplus – Society

		Turnover 2026 £'000	Operating costs 2026 £'000	Operating (deficit) / surplus 2026 £'000
	Note			
Social housing lettings	5	11,409	(12,738)	(1,329)
Care Homes	5	15,630	(16,884)	(1,254)
Affordable rent	5	1,992	(1,721)	271
Activities other than Social Housing Activities				
Care Homes Non Social Housing		14,061	(15,096)	(1,035)
Market rent		1,413	(1,444)	(31)
Leasehold		888	(936)	(48)
Dom Care		981	(1,122)	(141)
Other		268	(153)	115
Membership activity		154	(177)	(23)
Donations and legacies		1,013	(30)	983
Total		47,809	(50,301)	(2,492)

		Turnover 2025 £'000	Operating costs 2025 £'000	Operating (deficit) / surplus 2025 £'000
	Note			
Social housing lettings	5	10,091	(14,942)	(4,851)
Care Homes	5	15,744	(19,026)	(3,282)
Affordable rent	5	1,872	(1,311)	561
Activities other than Social Housing Activities				
Care Homes Non Social Housing		12,794	(14,220)	(1,426)
Market rent		1,229	(1,256)	(27)
Leasehold		808	(833)	(25)
Dom Care		844	(1,021)	(177)
Other		366	(206)	160
Membership activity		123	(262)	(139)
Donations and legacies		441	(11)	430
Total		44,312	(53,088)	(8,776)

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS – GROUP AND SOCIETY

	Care £'000	Supported Housing £'000	Affordable Rent £'000	Total 2026 £'000	Restated Total 2025 £'000
Income					
Rents net of identifiable service charges	15,495	4,750	1,992	22,237	21,687
Service charge income	-	6,659	-	6,659	5,885
Grant amortisation	135	-	-	135	135
Turnover from social housing lettings	15,630	11,409	1,992	29,031	27,707
Expenditure					
Management	(1,904)	(397)	(229)	(2,530)	(2,960)
Service charge costs	(1,469)	(9,274)	(997)	(11,740)	(13,736)
Charges for support services	(12,335)	-	-	(12,335)	(12,996)
Routine maintenance	(813)	(2,102)	(214)	(3,129)	(3,968)
Bad debts	200	(134)	(10)	56	(95)
Accelerated depreciation	(7)	(12)	(4)	(23)	(27)
Depreciation (Housing Properties)	(538)	(773)	(257)	(1,568)	(1,418)
Depreciation (Other Fixed Assets)	(18)	(46)	(10)	(74)	(79)
Operating expenditure on social housing lettings	(16,884)	(12,738)	(1,721)	(31,343)	(35,279)
Operating (deficit)/surplus on social housing lettings	(1,254)	(1,329)	271	(2,312)	(7,572)
Void losses	(1,835)	(1,238)	(67)	(3,140)	(2,881)

6. UNITS OF HOUSING STOCK – GROUP AND SOCIETY

	2026 Total	2025 Total
Supported Housing	566	496
Residential care home bed spaces	244	244
Non Social Housing care home bed spaces	246	247
Affordable Rent	125	114
Leasehold	85	97
Market Rent	60	66
Shared Ownership	20	5
Total Owned and Directly Managed accommodation	1,346	1,269
Units owned by the Society but managed by others	-	104
Non Housing Stock (Restaurants and Commercial units)	22	22
Total Commercial and Indirectly Managed accommodation	22	126
Total units owned and managed	1,368	1,395

During the year there was an overall increase in units owned and managed by others and a corresponding reduction in units owned but managed by others as a result of ALS reacquiring The Dales properties that were previously managed by a fellow Abbeyfield member society.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. OPERATING DEFICIT

	Group 2026 £'000	Group 2025 £'000	Society 2026 £'000	Society 2025 £'000
The operating deficit is arrived at after charging:				
Depreciation of social housing properties: charge for the year	1,221	1,365	1,221	1,365
Depreciation of non social housing properties: charge for the year	733	554	733	554
Depreciation of market let properties: charge for the year	284	299	284	299
Depreciation of other fixed assets - tangible and intangible	426	396	426	396
Accelerated depreciation of housing properties	217	93	217	93
Impairment (Housing Properties)	-	-	-	-
Operating lease charges	948	858	948	858
Auditors' remuneration:				
Group accounts	90	75	90	75
Subsidiaries	-	-	-	-
other audit related assurance	5	9	5	9
tax advice	4	7	4	7

8. EMPLOYEES

All employees for the Group are employed through the Society, therefore the costs and employee numbers are the same for the group and the society.

8.1 Employee Costs

	Group 2026 £'000	Group 2025 £'000
Staff costs (including Executive Management Team) consist of:		
Wages and salaries	24,329	24,397
Social Security costs	2,816	2,027
Cost of defined contribution scheme	837	821
Total	27,982	27,245

8.2 Employee numbers

The average number of employees including part time staff is shown as headcount. The Full Time Equivalents (FTE's), calculated based on a standard working week of 35 hours during the year were as follows:

	FTE's 2026	FTE's 2025	Headcount 2026	Headcount 2025
Administration	87	97	91	100
Development	1	1	1	1
Housing, Support and Care	656	640	816	789
Total	744	738	908	890

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Board and executive remuneration

None of the members of the Board received any emoluments (2025: £nil). Board expenses for the year are **£2k** (2025: £3k).

	Group and Society 2026 £'000	Group and Society 2025 £'000
Executive emoluments	591	677
Employer NI	74	80
Contributions to money purchase pension schemes	32	34
Total	697	791

The total amount payable to the Chief Executive post, who was also the highest paid director, in respect of emoluments was **£167k** (2025: £207k). Employer pension contributions totalling **£6k** were made during the year for a defined contribution scheme which is open to all employees.

The remuneration paid to staff (including the Executive Management Team) earning over £60,000:

	Group 2026 number	Group 2025 number	Society 2026 number	Society 2025 Number
£60,001 - £70,000	8	5	8	5
£70,001 - £80,000	7	7	7	7
£80,001 - £90,000	-	2	-	2
£90,001 - £100,000	-	3	-	3
£100,001 - £110,000	1	-	1	-
£110,001 - £120,000	2	2	2	2
£130,001 - £140,000	-	-	-	-
£140,001 - £150,000	1	1	1	1
£160,001 - £170,000	1	-	1	-

10. BOARD AND COMMITTEE MEMBERS

Board/Committee Member	Group Board	People Committee	Audit and Risk Committee	Finance & Investment Committee	Customer Committee
David Carr	✓		✓		
Martin Cox	✓			✓	✓
Terri Pettifer-Eagles	✓	✓			✓
Sara Beamand	✓	✓			✓
Roger Lees	✓			✓	
George Ashworth	✓			✓	
Mike Turner	✓	✓			
Dena Patel			✓		
Marc Marrero	✓		✓		
Sally Nicholls	✓				
Christine Asbury	✓				

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. SURPLUS ON DISPOSAL OF FIXED ASSETS – GROUP AND SOCIETY

	2026	2025
	£'000	£'000
Disposal proceeds	10,808	22,341
Net book value	(8,201)	(13,307)
Impairment reversed at sale	4,016	5,305
Selling costs	(94)	(237)
Grant recycled	(2,710)	(3,240)
	3,819	10,862

12. INTEREST RECEIVABLE AND INCOME FROM INVESTMENTS – GROUP AND SOCIETY

	2026	2025
	£'000	£'000
Interest on loans to member societies	-	5
Bank and Investment Interest	875	746
Total	875	751

13. INTEREST PAYABLE AND SIMILAR CHARGES – GROUP AND SOCIETY

	2026	2025
	£'000	£'000
Bank charges and fees	95	111
Recycled capital grant fund	213	173
Total	308	284

14. TAXATION

There was no tax charge for the year (2025: £nil) as the Society's activities are charitable in nature.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. HOUSING PROPERTIES – GROUP

	Care Housing and Independent Living completed £'000	Care, Housing and Independent Living under construction £'000	Shared Ownership completed £'000	Total £'000
Cost:				
As at 31 March 2025 (restated)	125,980	11,574	793	138,347
Additions:				
Construction Costs	2,014	-	-	2,014
WIP	1,159	-	-	1,159
Replaced components	3,074	-	-	3,074
Transfer to current assets	(3,018)	-	-	(3,018)
Component disposal	(785)	-	-	(785)
Closed property disposal	(6,575)	-	-	(6,575)
Construction assets completed during the year	-	-	-	-
As at 31 March 2026	121,849	11,574	793	134,216
Depreciation:				
As at 31 March 2025	22,612	-	-	22,612
Charge for the year	2,238	-	-	2,238
Transfer to current assets	(1,434)	-	-	(1,434)
Eliminated on disposals: components	(217)	-	-	(217)
Eliminated on disposals: other	(2,999)	-	-	(2,999)
As at 31 March 2026	20,200	-	-	20,200
Impairment:				
As at 31 March 2025	8,328	11,574	-	19,902
Charge for the year	-	-	-	-
Reversed prior year impairment	-	-	-	-
Released in the year at sale	(4,721)	-	-	(4,721)
Adjustment to PY	-	-	-	-
As at 31 March 2026	3,607	11,574	-	15,181
Net book value at 31 March 2026	98,042	-	793	98,835
Net book value at 31 March 2025 (restated)	95,040	-	793	95,833

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. HOUSING PROPERTIES – SOCIETY

	Care Housing and Independent Living completed £'000	Care, Housing and Independent Living under construction £'000	Shared Ownership completed £'000	Total £'000
Cost:				
As at 31 March 2025 (restated)	127,260	11,574	793	139,627
Additions:				
Construction Costs	2,014	-	-	2,014
WIP	1,159	-	-	1,159
Replaced Components	3,074	-	-	3,074
Transfer to current assets	(3,018)	-	-	(3,018)
Component disposal	(785)	-	-	(785)
Closed property disposal	(6,575)	-	-	(6,575)
Construction assets completed during the year	-	-	-	-
As at 31 March 2026	123,129	11,574	793	135,496
Depreciation:				
As at 31 March 2025	22,612	-	-	22,612
Charge for the year	2,238	-	-	2,238
Transfer to current assets	(1,434)	-	-	(1,434)
Eliminated on disposals: components	(217)	-	-	(217)
Eliminated on disposals: other	(2,999)	-	-	(2,999)
As at 31 March 2026	20,200	-	-	20,200
Impairment:				
As at 31 March 2025	8,328	11,574	-	19,902
Charge for the year	-	-	-	-
Reversed prior year impairment	-	-	-	-
Released in the year at sale	(4,721)	-	-	(4,721)
As at 31 March 2026	3,607	11,574	-	15,181
Net book value at 31 March 2026	99,322	-	793	100,115
Net book value at 31 March 2025 (restated)	96,320	-	793	97,113

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. HOUSING PROPERTIES – FURTHER ANALYSES

Freehold vs Leasehold

	Society 2026 £'000	Society 2025 £'000
Freehold	98,052	94,771
Long leasehold	2,063	2,342
Total	100,115	97,113

Major Works

	Society 2026 £'000	Society 2025 £'000
Improvements to existing properties capitalised	3,074	2,862
Total	3,074	2,862

Capital Grants – Housing Properties Grants in Reserves

	Society 2026 £'000	Society 2025 £'000
Capital grant - Housing Properties in Reserves		
Capital grant - Housing Properties in reserves	18,943	18,943
Capital grant - Housing Properties in creditors	18,816	17,331
Recycled Capital Grant Fund	8,194	7,485
Total	45,953	43,759

Property with a book value of £17.6m was pledged as security at 31 March 2026 (2025: £17.6m). The bank revaluation exercise completed as at the year end date reported total security value of £21m.

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. OTHER FIXED ASSETS, TANGIBLE AND INTANGIBLE – GROUP AND SOCIETY

	Fixtures, fittings and furniture £'000	Computer and other office equipment £'000	Total £'000
Cost:			
As at 31 March 2025	3	1,757	1,760
Additions	-	91	91
Disposals	-	-	-
As at 31 March 2026	3	1,848	1,851
Depreciation:			
As at 31 March 2025	3	948	951
Charge for the year	-	426	426
Disposals	-	-	-
As at 31 March 2026	3	1,374	1,377
Net book value at 31 March 2026	-	474	474
Net book value at 31 March 2025	-	809	809

Included in the Other Fixed Assets net book value as at 31 March 2026 are intangible assets of £373k (2025: £448k) representing software costs.

17. INVESTMENT PROPERTIES

Group and Society	Market rent £'000
Cost:	
As at 1 April 2025	880
Revaluation	-
At 31 March 2026	880

The valuations were undertaken by Savills LLP as at 31 March 2023 in accordance with the RICS Valuation Global Standards 2017 and the RICS Valuation - Professional Standards 2014. In valuing investment properties an investment method of valuation was used. Details of the assumptions made and the key sources of estimation uncertainty are given in Note 3.

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. INVESTMENT PROPERTIES (continued)

If investment property had been accounted for under the historic cost accounting rules the properties would have been measured as follows

	Group and Society 2026 £'000	Group and Society 2025 £'000
Cost:		
Historic cost	591	591
Accumulated Depreciation	(159)	(154)
At 31 March 2026	432	437

18. INVESTMENTS

	Country of incorporation or registration	Voting rights % held	Nominal value of the shares held	Nature of business	Nominal value of the share held
Subsidiary Undertakings					
Abbeyfield Properties Limited	England	100%	£1	Design-and-build	Incorporated company, limited by shares
The Abbeyfield Research Foundation	England	100%	£nil	Fundraising and grant making	Incorporated company, limited by guarantee
Pebblemist Limited	England	100%	£nil	Dormant	Incorporated company, limited by guarantee

All above Subsidiary undertakings are registered at The Abbeyfield Society, 17-19 Hampton Lane, Solihull, B91 2QJ.

NOTES TO THE FINANCIAL STATEMENTS (continued)

19A. PROPERTIES FOR SALE - GROUP

	Closed properties held for sale £'000	Developed units £'000	2026 Total £'000	Restated 2025 Total £'000
Completed properties - developed and closed	3,358	-	3,358	6,376
Completed properties - acquired	-	-	-	-
Properties sold	-	-	-	-
Total	3,358	-	3,358	6,376

19B. PROPERTIES FOR SALE – SOCIETY

	Closed properties held for sale £'000	Developed units £'000	2026 Total £'000	Restated 2025 Total £'000
Completed properties - developed and closed	3,358	-	3,358	6,376
Completed properties - acquired	-	-	-	-
Properties sold	-	-	-	-
Total	3,358	-	3,358	6,376

Properties developed for sale do not include capitalised interest.

20. DEBTORS – GROUP AND SOCIETY

	Group 2026 £'000	Group 2025 £'000	Society 2026 £'000	Society 2025 £'000
Due within one year				
Rent and service charge arrears	1,997	2,234	1,997	2,234
Less: Provision for doubtful debts	(519)	(545)	(519)	(545)
	1,478	1,689	1,478	1,689
Abbeyfield member societies	-	-	-	-
Other debtors	57	21	57	21
Prepayments and accrued income	1,744	1,366	1,992	1,562
Total	3,279	3,076	3,527	3,272
Due after one year				
Due from Abbeyfield member societies	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. CURRENT ASSET INVESTMENTS – GROUP AND SOCIETY

	2026 £'000	2025 £'000
Opening fair value	-	394
Additions	-	-
Fair Value Adjustment	-	18
Disposals	-	(412)
Closing fair value	-	-

All current asset investments related to shares held in listed companies which were traded on a regular basis. The investments, which were managed by Waverton Investment Management and had an original cost of investment of £307k.

22. CREDITORS: FALLING DUE WITHIN ONE YEAR – GROUP AND SOCIETY

	Group 2026 £'000	Group 2025 £'000	Society 2026 £'000	Society 2025 £'000
Trade creditors	1,000	1,261	1,000	1,261
Taxation and social security	650	695	650	695
Other creditors	335	175	370	237
Deferred capital grant (note 25)	135	135	135	135
Recycled Capital Grant Fund (note 26)	257	2,243	257	2,243
Accruals and deferred income	6,728	6,453	6,763	6,261
Amount owed to group undertakings	-	-	58	183
Onerous Lease Provision	400	400	400	400
Total	9,505	11,362	9,633	11,415

23. CREDITORS: FALLING DUE AFTER ONE YEAR – GROUP AND SOCIETY

	Group 2026 £'000	Group 2025 £'000	Society 2026 £'000	Society 2025 £'000
Deferred capital grant (note 25)	18,681	17,186	18,681	17,186
Recycled Capital Grant Fund (note 26)	7,937	5,242	7,937	5,242
Other creditors	670	446	651	446
Total	27,288	22,874	27,269	22,874

The Group has an £8 million overdraft facility with Barclays Bank. The facility is secured by charges on certain housing and care properties of the Group, as disclosed in Notes 15 and 18. The overdraft is available but undrawn at year end.

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. ONEROUS CONTRACTS – GROUP AND SOCIETY

During 2024 the Society identified a contract for the lease of office space that had become onerous due to a significant reduction in the need for office space as a result of increased remote working. The provision for this onerous contract for the current year has been calculated as follows:

Description of the contract: Lease of office space at St Peters House, Bricket Road, St Albans, Herts, AL1 3JW

Reason for Provision: Reduced need for office space due to remote working

Total Provision: £800k

Calculation Basis: The provision represents the unavoidable costs of the lease contract, less any expected sublease income.

Expected Settlement Date: The provision is expected to be settled over the remaining lease term of 2 years.

Within note 22 £400k is shown as due within 1 year with the balance of £400k being shown as due after 1 year but within 5 years.

25. DEFERRED CAPITAL GRANT – GROUP AND SOCIETY

	2026 £'000	2025 £'000
At 31 March 2025	17,321	17,456
Grants recycled from the recycled grant fund	1,630	-
Released to income during the year	(135)	(135)
Total	18,816	17,321

26. RECYCLED CAPITAL GRANT – GROUP AND SOCIETY

	HCA 2026 £'000	GLA 2026 £'000	Total 2026 £'000	HCA 2025 £'000	GLA 2025 £'000	Total 2025 £'000
At 31 March 2025	7,065	420	7,485	3,979	1,750	5,729
Inputs to fund:						
Grants recycled from reserves at point of sale	2,126	-	2,126	2,960	366	3,326
Transfer to deferred grant	(1,630)	-	(1,630)	-	-	-
Interest accrued	192	21	213	126	47	173
Repayment to GLA	-	-	-	-	(1,743)	(1,743)
Tax rebate	-	-	-	-	-	-
At 31 March 2026	7,753	441	8,194	7,065	420	7,485
Included in creditors: amounts due within one year	254	3	257	2,243	-	2,243
Included in creditors: amounts due after more than one year	7,499	438	7,937	4,822	420	5,242
At 31 March 2026	7,753	441	8,194	7,065	420	7,485

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. FAIR VALUE OF NET CURRENT ASSETS – GROUP

	2026 £'000	2025 £'000
Financial assets		
Financial assets measured at fair value:		
Investments	-	-
Financial assets measured at historic cost:		
Trade receivables	1,997	2,234
Other receivables	1,282	842
Cash and cash equivalents	29,901	25,698
Total financial assets	33,180	28,774

Financial liabilities

Financial liabilities measured at historic cost:		
Trade creditors	(1,000)	(1,261)
Other creditors	(8,783)	(8,169)
Total financial liabilities	(9,783)	(9,430)

27. FAIR VALUE OF NET CURRENT ASSETS – SOCIETY

	2026 £'000	2025 £'000
Financial assets		
Financial assets measured at fair value:		
Investments	-	-
Financial assets measured at historic cost:		
Trade receivables	1,997	2,234
Other receivables	1,530	1,038
Cash and cash equivalents	29,719	25,409
Total financial assets	33,246	28,681

Financial liabilities

Financial liabilities measured at historic cost:		
Trade creditors	(1,000)	(1,261)
Other creditors	(8,834)	(8,040)
Total financial liabilities	(9,834)	(9,261)

For cash and cash equivalents, short term deposits, current receivables, current payables and loans payable, the carrying amounts approximate fair value, because of the short maturity of these instruments, and therefore fair value information is not included in the table above.

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. OPERATING LEASES – GROUP AND SOCIETY

The Group and the Society had minimum property lease payments under non-cancellable operating leases as set out below:

	2026 £'000	2025 £'000
Amounts payable as lessee:		
Within one year	948	966
After one year but within five years	3,711	3,732
After five years	16,687	17,614
Total	21,346	22,312

29. CAPITAL COMMITMENTS – GROUP AND SOCIETY

	2026 £'000	2025 £'000
Commitments contracted but not provided for:		
Major Works	26	961
Construction	-	-
Experience Programme	322	66
Commitments approved by the Board but not provided for:		
Major Works	-	-
Construction	-	-
Experience Programme	-	-
Total	348	1,027

Capital commitments for the Group and Society will be funded as follows:

Social Housing Grant	-	-
Sales of properties	-	-
Donations	-	-
Existing cash and utilisation of facilities	348	1,027
Total	348	1,027

30. RELATED PARTY DISCLOSURES

No grant (2025: £nil) was made to Abbeyfield Research Foundation (“ARF”) by the Society during the year.

In 2026 the below referenced related party relationships existed.

Name	Relationship	Value of transactions
Trident Maintenance Services Ltd	Board Member Holds Executive Director Role	£207,428

31. PRIOR YEAR RESTATEMENTS

During FY26 it was identified that the prior year accounts showed a misclassification between tangible fixed assets and properties held for sale of £1,736k, as such we have restated FY25 balance sheet along with prior year comparatives in notes 15 and 19.

[End of Report]

The Abbeyfield Living Society
Trading as: Abbeyfield Living Society
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Solihull
B91 2QT

Registered Charity: 200719
Company No: 574816
Regulator of Social Housing No.: H1046
Care Quality Commission No.: 1-102642859

www.abbeyfieldliving.org.uk

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